

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

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

31 MARCH 2021





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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 2021, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity 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 International Accounting Standard 34: ‘*Interim Financial Reporting*’ (“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 accounts 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 2021 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 2021 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 & PARTNER

11 May 2021
Kuwait

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

For the three months ended 31 March 2021

		<i>Three months ended</i>	
		<i>31 March</i>	
		<i>2021</i>	<i>2020</i>
	<i>Notes</i>	<i>KD</i>	<i>KD</i>
INCOME			
Net investment income (loss)		210,476	(1,598,582)
Management fees		115,040	132,218
Other income		5,965	3,480
Gain on sale of investment property		98,174	-
Share of results of associates	4	(511,828)	(1,235,993)
Net foreign exchange differences		(97,700)	30,939
		(179,873)	(2,667,938)
EXPENSES			
Staff costs		(234,149)	(203,310)
General and administrative expenses		(74,946)	(61,234)
Depreciation expense		(4,237)	(4,078)
		(313,332)	(268,622)
LOSS FOR THE PERIOD		(493,205)	(2,936,560)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
	3	(0.84) fils	(5.02) fils

The attached notes 1 to 10 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 three months ended 31 March 2021


	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>
LOSS FOR THE PERIOD	(493,205)	(2,936,560)
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 of associates	(537,701)	(638,257)
Exchange differences on translation of foreign operations	(811,171)	28,320
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(1,348,872)	(609,937)
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Net loss on equity instruments designated at fair value through other comprehensive income	(14,507)	(167,602)
Share of other comprehensive income of associates	340,526	1,111,669
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	326,019	944,067
Other comprehensive (loss) income	(1,022,853)	334,130
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,516,058)	(2,602,430)
Attributable to:		
Equity holders of the Parent Company	(1,491,852)	(2,602,547)
Non-controlling interests	(24,206)	117
	(1,516,058)	(2,602,430)

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
As at 31 March 2021

	<i>Notes</i>	<i>31 March 2021 KD</i>	<i>(Audited) 31 December 2020 KD</i>	<i>31 March 2020 KD</i>
ASSETS				
Non-current assets				
Property and equipment		1,073,569	1,077,278	1,087,091
Investment property		37,800	151,625	154,275
Investment in associates	4	28,057,232	29,565,180	35,660,914
Financial assets at fair value through profit or loss	9	10,139,757	10,075,374	9,698,126
Financial assets at fair value through other comprehensive income	9	412,945	427,452	378,152
Other assets		1,792,087	1,878,291	2,051,175
		<u>41,513,390</u>	<u>43,175,200</u>	<u>49,029,733</u>
Current assets				
Financial assets at fair value through profit or loss	9	761,240	512,710	117,150
Other assets		470,230	429,401	333,812
Cash and cash equivalents		4,027,290	4,282,463	4,405,677
		<u>5,258,760</u>	<u>5,224,574</u>	<u>4,856,639</u>
TOTAL ASSETS		<u><u>46,772,150</u></u>	<u><u>48,399,774</u></u>	<u><u>53,886,372</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		62,529,315	62,529,315	62,529,315
Statutory reserve		11,647,495	11,647,495	11,647,495
Voluntary reserve		1,991,146	1,991,146	1,991,146
Treasury shares	5	(4,775,819)	(4,775,819)	(4,775,819)
Treasury shares reserve		25,702	25,702	25,702
Effect of changes in other comprehensive income of associates		(672,453)	(1,012,979)	513,716
Foreign currency translation reserve		2,686,861	4,011,527	824,259
Fair value reserve		(2,572,310)	(2,557,803)	(2,607,103)
Accumulated losses		(25,408,354)	(24,915,149)	(17,660,475)
Equity attributable to equity holders of the Parent Company		<u>45,451,583</u>	<u>46,943,435</u>	<u>52,488,236</u>
Non-controlling interests		7,874	32,080	32,460
Total equity		<u><u>45,459,457</u></u>	<u><u>46,975,515</u></u>	<u><u>52,520,696</u></u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		207,015	306,691	269,087
Current liabilities				
Other liabilities		1,105,678	1,117,568	1,096,589
Total liabilities		<u>1,312,693</u>	<u>1,424,259</u>	<u>1,365,676</u>
TOTAL EQUITY AND LIABILITIES		<u><u>46,772,150</u></u>	<u><u>48,399,774</u></u>	<u><u>53,886,372</u></u>


Osama A. KH. Al Ayoub
Chairman


Thamer Nabeel Al Neseef
Chief Executive Officer

The attached notes 1 to 10 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 three months ended 31 March 2021

	<i>Attributable to equity holders of the Parent Company</i>											
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Treasury shares</i>	<i>Treasury shares reserve</i>	<i>Effect of changes in other comprehensive income of associates</i>	<i>Foreign currency translation reserve</i>	<i>Fair value reserve</i>	<i>Accumulated losses</i>	<i>Sub-total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
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
As at 1 January 2020 (audited)	62,529,315	11,647,495	1,991,146	(4,775,819)	25,702	(597,953)	1,434,313	(2,439,501)	(14,723,915)	55,090,783	32,343	55,123,126
Loss for the period	-	-	-	-	-	-	-	-	(2,936,560)	(2,936,560)	-	(2,936,560)
Other comprehensive income (loss) for the period	-	-	-	-	-	1,111,669	(610,054)	(167,602)	-	334,013	117	334,130
Total comprehensive income (loss) for the period	-	-	-	-	-	1,111,669	(610,054)	(167,602)	(2,936,560)	(2,602,547)	117	(2,602,430)
As at 31 March 2020	62,529,315	11,647,495	1,991,146	(4,775,819)	25,702	513,716	824,259	(2,607,103)	(17,660,475)	52,488,236	32,460	52,520,696

The attached notes 1 to 10 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 three months ended 31 March 2021

	<i>Note</i>	<i>Three months ended</i>	
		<i>2021</i>	<i>2020</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Loss for the period		(493,205)	(2,936,560)
<i>Adjustments to reconcile loss for the period to net cash flows:</i>			
Share of results of associates	4	511,828	1,235,993
Unrealised (gain) loss on financial assets at FVTPL		(138,550)	1,675,830
Realised gain on financial assets at FVTPL		(56,073)	(34,452)
Gain on sale of investment property		(98,174)	-
Dividend income		-	(7,750)
Interest income		(15,853)	(35,046)
Depreciation expense		4,237	4,078
Provision for employees' end of service benefits		16,405	8,662
		(269,385)	(89,245)
<i>Changes in operating assets and liabilities:</i>			
Financial assets at fair value through profit or loss		(263,433)	(157,922)
Other assets		45,258	144,643
Other liabilities		(11,890)	7,688
Cash flows from operations		(499,450)	(94,836)
Employees' end of service benefits paid		(116,081)	(32,247)
Taxes paid		-	(60,000)
Dividend income received		-	7,750
Net cash flows used in operating activities		(615,531)	(179,333)
INVESTING ACTIVITIES			
Purchase of property and equipment		(528)	(258)
Proceeds from sale of investment property		209,560	-
Proceeds from sale of financial assets at FVTPL		145,143	42,426
Interest income received		15,970	21,441
Net cash flows from investing activities		370,145	63,609
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as at 1 January		4,282,463	4,526,617
Net foreign exchange differences		(9,787)	(5,216)
CASH AND CASH EQUIVALENTS AS AT 31 March		4,027,290	4,405,677

The attached notes 1 to 10 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 2021

1 CORPORATE 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 months ended 31 March 2021 was authorised for issue in accordance with a resolution of the Board of Directors on 11 May 2021.

The Parent Company is a public shareholding company incorporated in Kuwait on 29 July 1975 and whose shares are publicly traded on Boursa Kuwait. The Parent Company is registered with the Central Bank of Kuwait (“CBK”) as an investment company and is subject to the supervision of the Capital Markets Authority of Kuwait (“CMA”). 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’s registered office is located at Al Shuhada Street, Sharq and its registered postal address is P.O. Box 26755, Safat 13128, State of Kuwait. The consolidated financial statements comprise the financial statements of the Parent Company and its wholly owned subsidiaries as follows:

Name of the company	Country of incorporation	Effective equity interest		Principal activities
		2021	2020	
<i>Directly held</i>				
Coast Investments Limited (“CIL”)	BVI	100%	100%	Investment services
Coast Holding Corporation (“CHC”)	USA	100%	100%	Investment services
<i>Indirectly held through CHC</i>				
Winters Estate LLC (“Winters”)	USA	80%	80%	Real estate services

The shareholders of the Parent Company at the annual general assembly meeting (AGM) held on 28 April 2021 approved the consolidated financial statements of the Group for the year ended 31 December 2020 and resolved not to distribute any dividends.

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 period ended 31 March 2021 has been prepared in accordance with IAS 34 *Interim Financial Reporting* except, as noted below:

The annual consolidated financial statements for the year ended 31 December 2020 were prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (“CBK”) in the State of Kuwait. These regulations require expected credit loss (“ECL”) to be measured at the higher of the ECL on financing facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (“IASB”) (collectively referred to as IFRS, as adopted for use by the State of Kuwait).

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

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

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

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 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial information of the Group

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR).

The amendments include the following practical expedients:

- ▶ A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- ▶ Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- ▶ Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial information of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

3 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the 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 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>	
	<u>2021</u>	<u>2020</u>
Loss for the period attributable to equity holders of the Parent Company (KD)	(493,205)	(2,936,560)
Weighted average number of shares outstanding during the period (shares)	584,473,066	584,473,066
Basic and diluted EPS (Fils)	(0.84)	(5.02)

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

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 2021

4 INVESTMENT IN ASSOCIATES

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

Name	Domicile	% equity interest			Principal activities	Carrying amount		
		(Audited)				(Audited)		
		31 March 2021	31 December 2020	31 March 2020		31 March 2021 KD	31 December 2020 KD	31 March 2020 KD
Rico GmbH Kuwaiti German Holding Company K.S.C. (Closed)	Germany	23.73	23.73	23.73	Manufacturing	2,704,389	2,847,424	2,491,254
("KGH") ¹ Weinig International A.G. ("Weinig")	Kuwait Germany	23.49	23.49	23.49	Investment Manufacturing	12,829,579	13,562,128	16,298,005
		12.37	12.37	12.37		12,523,264	13,155,628	16,871,655
						28,057,232	29,565,180	35,660,914

¹ KGH has a direct ownership of 52% in Weinig.

Reconciliation to carrying amounts:

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
Opening balance	29,565,180	36,392,709	36,392,709
Share of results	(511,828)	(2,697,627)	(1,235,993)
Share of other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods	(537,701)	1,235,523	(638,257)
Share of other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods	340,526	(415,026)	1,111,669
Impairment losses	-	(6,291,915)	-
Foreign exchange adjustments	(798,945)	1,341,516	30,786
Group's carrying amount of the investments	28,057,232	29,565,180	35,660,914

5 TREASURY SHARES

	31 March 2021	(Audited) 31 December 2020	31 March 2020
Number of treasury shares	40,820,086	40,820,086	40,820,086
Percentage of total outstanding shares (%)	6.53%	6.53%	6.53%
Market value (KD)	1,571,573	1,979,774	1,102,142
Cost (KD)	4,775,819	4,775,819	4,755,819
Weighted average market value per share (Fils)	41	36	36

Reserves equivalent to the cost of purchase of the treasury shares held are not available for distribution during the holding period of such shares as per CMA guidelines.

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 2021

6 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.

	<i>Associates</i> <i>KD</i>	<i>Others</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>	<i>(Audited)</i>	
				<i>31 December</i> <i>2020</i> <i>KD</i>	<i>31 March</i> <i>2020</i> <i>KD</i>
<i>Interim condensed consolidated statement of financial position:</i>					
Promissory notes (<i>included within other assets</i>)*	1,705,629	-	1,705,629	1,791,589	1,641,767
Accrued management fees (<i>included within other assets</i>)	-	118,527	118,527	105,424	120,565
Investment in a managed fund	-	7,163,755	7,163,755	6,891,558	6,221,732

* Promissory notes represent a financing arrangement to an associate for the purpose of financing its operations and earn interest at 0.95 % (31 December 2020: 1.10% and 31 March 2020: 1.16%) above 3-months EURIBOR, per annum.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in the market. Outstanding balances are due for settlement at any given time to the holder against the presentation of the promissory note. There have been no guarantees provided or received for any related party receivables or payables. During the period ended 31 March 2021, the Group has recorded KD Nil as allowance for expected credit losses relating to amounts owed by related parties as the identified impairment loss was immaterial. This assessment is undertaken at each financial reporting period through examining the financial position of the related party and the market in which the related party operates.

	<i>Three months ended</i> <i>31 March</i>	
	<i>2021</i> <i>KD</i>	<i>2020</i> <i>KD</i>
<i>Included in the interim condensed consolidated statement of profit or loss:</i>		
Management fees	99,046	120,565
Interest income (included in net investment income)	4,154	4,554
Net investment income (loss) from managed fund	272,197	(1,500,015)

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>Three months ended</i> <i>31 March</i>		<i>As at 31 March</i>	
	<i>2021</i> <i>KD</i>	<i>2020</i> <i>KD</i>	<i>2021</i> <i>KD</i>	<i>2020</i> <i>KD</i>
<i>Key management personnel compensation</i>				
Salaries and other short-term benefits	84,364	63,774	81,202	63,424
End of service benefits	6,050	4,550	85,759	62,542
	90,414	68,324	166,961	125,966

The Board of Directors at the meeting held on 28 March 2021 did not propose any directors' remuneration for the year ended 31 December 2020. This proposal was approved by the shareholders at the AGM held on 28 April 2021.

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 2021

7 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 period ended 31 March 2021 (unaudited)			
	Kuwait and GCC KD	Europe KD	USA KD	Total KD
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)
	For the period ended 31 March 2020 (unaudited)			
	Kuwait and GCC KD	Europe KD	USA KD	Total KD
Total loss	(1,987,113)	(665,304)	(15,521)	(2,667,938)
Share of results of associates	(664,109)	(571,884)	-	(1,235,993)
Depreciation expense	(4,078)	-	-	(4,078)
Loss for the period	(2,251,621)	(665,304)	(19,635)	(2,936,560)
	Kuwait and GCC KD	Europe KD	USA KD	Total KD
31 March 2021 (Unaudited)				
Total assets	26,606,933	19,781,111	384,106	46,772,150
Total liabilities	1,300,252	-	12,441	1,312,693
Other disclosures:				
Investment in associates	12,829,579	15,227,653	-	28,057,232
31 December 2020 (audited)				
Total assets	27,257,423	20,847,311	295,040	48,399,774
Total liabilities	1,420,766	-	3,493	1,424,259
Other disclosures:				
Investment in associates	13,562,128	16,003,052	-	29,565,180
31 March 2020 (Unaudited)				
Total assets	30,881,765	22,441,711	562,896	53,886,372
Total liabilities	1,362,186	-	3,490	1,365,676
Other disclosures:				
Investment in associates	16,298,005	19,362,909	-	35,660,914

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

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As at and for the period ended 31 March 2021

8 CAPITAL COMMITMENTS

As at the reporting date, the Group had capital commitments of KD 108,944 (31 December 2020: KD 143,028 and 31 March 2020: KD 173,375) in respect of uncalled capital in certain private equity funds classified as financial assets at fair value through profit or loss.

9 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

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

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

Set out below is the fair values of financial assets measured at fair value on a recurring basis as at 31 March 2021, 31 December 2020 and 31 March 2020:

	Fair value measurement using			
	<i>Total</i>	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
<i>31 March 2021</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Financial assets at FVTPL:				
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>

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

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9 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>31 December 2020 (Audited)</i>	<i>Total KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Financial assets at FVTPL:				
Open-ended fund	6,891,558	-	6,891,558	-
Private equity funds	3,176,271	-	-	3,176,271
Quoted equity securities	512,710	512,710	-	-
Unquoted equity securities	7,545	-	-	7,545
	<u>10,588,084</u>	<u>512,710</u>	<u>6,891,558</u>	<u>3,183,816</u>
Financial assets at FVOCI:				
Unquoted equity securities	427,452	-	-	427,452
Investment securities (at fair value)	<u>11,015,536</u>	<u>512,710</u>	<u>6,891,558</u>	<u>3,611,268</u>

	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>31 March 2020</i>	<i>Total KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Financial assets at FVTPL:				
Open-ended fund	6,221,732	-	6,221,732	-
Private equity funds	3,468,149	-	-	3,468,149
Quoted equity securities	117,150	117,150	-	-
Unquoted equity securities	8,245	-	-	8,245
	<u>9,815,276</u>	<u>117,150</u>	<u>6,221,732</u>	<u>3,476,394</u>
Financial assets at FVOCI:				
Unquoted equity securities	378,152	-	-	378,152
Investment securities (at fair value)	<u>10,193,428</u>	<u>117,150</u>	<u>6,221,732</u>	<u>3,854,546</u>

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

	<i>31 March 2021</i>		
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVTPL KD</i>	<i>Total KD</i>
As at 1 January 2021	427,452	3,183,816	3,611,268
Remeasurement recognised in OCI	(14,507)	-	(14,507)
Remeasurement recognised in profit or loss	-	(118,744)	(118,744)
Sales	-	(89,070)	(89,070)
As at 31 March 2021	<u>412,945</u>	<u>2,976,002</u>	<u>3,388,947</u>

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9 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 2020 (Audited)</i>		
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVTPL KD</i>	<i>Total KD</i>
As at 1 January 2020	545,754	3,619,182	4,164,936
Remeasurement recognised in OCI	(118,302)	-	(118,302)
Remeasurement recognised in profit or loss	-	(184,445)	(184,445)
Purchases	-	69,970	69,970
Sales	-	(320,891)	(320,891)
As at 31 December 2020	<u>427,452</u>	<u>3,183,816</u>	<u>3,611,268</u>
	<i>31 March 2020</i>		
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVTPL KD</i>	<i>Total KD</i>
As at 1 January 2020	545,754	3,619,182	4,164,936
Remeasurement recognised in OCI	(167,602)	-	(167,602)
Remeasurement recognised in profit or loss	-	(161,601)	(161,601)
Purchases	-	26,787	26,787
Sales	-	(7,974)	(7,974)
As at 31 March 2020	<u>378,152</u>	<u>3,476,394</u>	<u>3,854,546</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 2020.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

10 IMPACT OF COVID-19 OUTBREAK

The COVID-19 pandemic continues to spread across global geographies causing disruption to business and economic activities and bringing significant uncertainties to the global economic environment. Government authorities worldwide launched extensive responses designed to mitigate the severe consequences of the pandemic.

The effects of COVID-19 pandemic have been significant on the Group's annual consolidated financial statements for the year ended 31 December 2020. As compared to the year ended 31 December 2020, the Group has not experienced any further significant adverse effect on its operations during the three months ended March 2021. Markets, however, remain volatile and asset carrying values remain sensitive to market fluctuations. The impact of the highly uncertain economic environment remains judgmental and the Group will accordingly continue to reassess its position and the related impact on a regular basis.

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