

Integrated Reporting System



Coast Investment & Development Company



Integrated Reporting

As of 31 December 2024

تمت الموافقة في اجتماع مجلس الإدارة
البيانات لعام ٢٠٢٤ بتاريخ ٢٠٢٤/١٢/٣١

Final

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Introduction about the Integrated Reporting

Coast Investment & Development Company K.S.C.P. ("the Company") has adopted the Integrated Reporting System as a strategic tool to drive sustainable performance and create long-term institutional value. Rooted in the corporate governance principles issued by the Capital Markets Authority, this report reflects the Company's commitment to transparency, accountability, and value creation across short, medium, and long-term horizons.

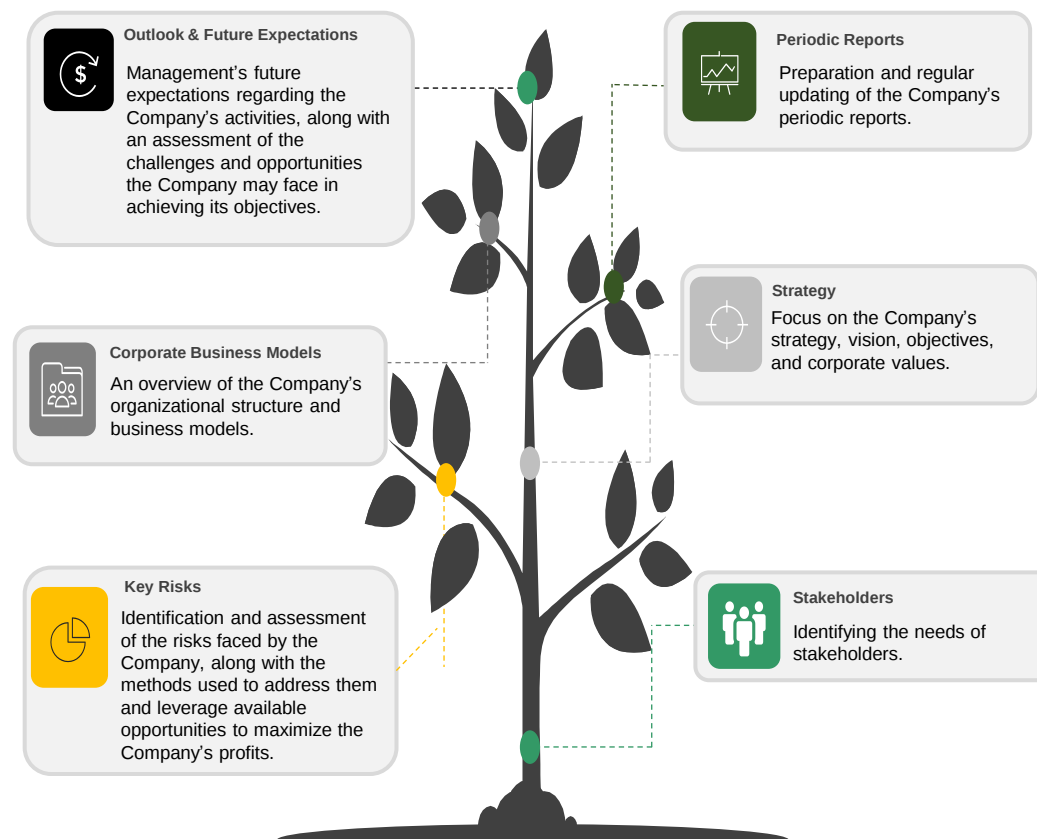
This Integrated Report, covering the financial year ending December 31, 2024, highlights the Company's strategy, operations, and services—underscoring its dedication to delivering lasting value for shareholders, clients, and employees. All financial data, including comparative information, aligns with International Financial Reporting Standards (IFRS), ensuring accuracy and consistency.

Forward-looking statements regarding business segments, economic outlooks, and performance indicators are included; however, these projections are subject to change and not guarantees of future outcomes.

The report is designed to provide stakeholders with a clear, comprehensive, and decision-useful overview of how the Company creates value, manages its resources, and engages with its broader community.

Regarding the reporting frequency, the integrated report is updated with the latest information and developments related to the Company's business cycle no later than September 30 of each year, in accordance with timelines that support short-, medium-, and long-term objectives.

The Company has adopted the characteristics outlined below in compliance with the instructions of the Capital Markets Authority, specifically Book Fifteen "Corporate Governance," Article 11-8, regarding the preparation of integrated reports as one of the effective tools for achieving the Company's strategic objectives.



Introduction about the Company

Coast Investment and Development Company is one of the leading financial institutions in Kuwait and the region. Coast was established in 1975 and listed on the Kuwait Stock Exchange in 1989. Its current paid-up capital is 46.5 million KWD (150 million USD).

Company Listing Date: 5 Nov 1989

Address: Sharq - Al-Shuhada Street - Al-Sahel Bldg .

Authorized, Paid-up, and Issued Capital: KWD 46,502,690.200

Number of Issued and Outstanding Shares: 465,026,902 shares

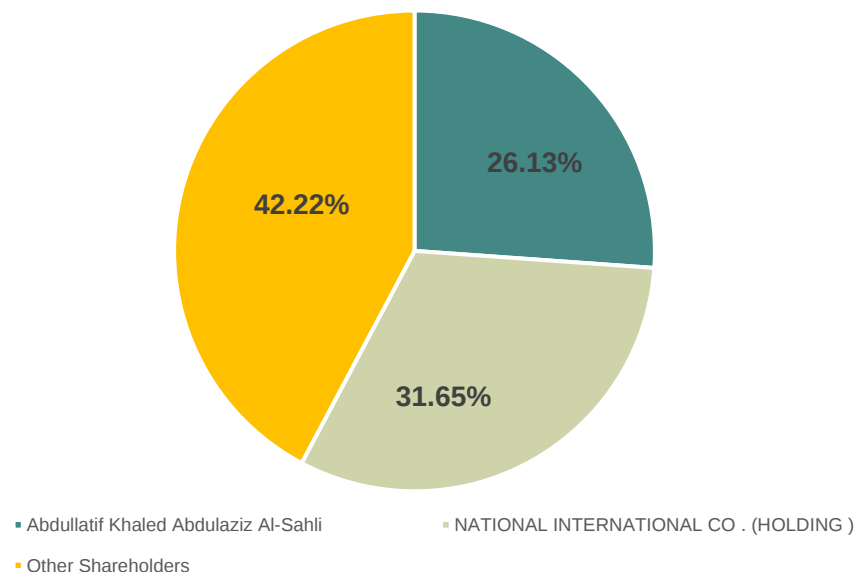
Company's Activities

- Invests in trading and project ventures on behalf of the Parent Company.
- Engages in the real estate sector by buying, selling, and owning properties, as well as investing in real estate funds for the Parent Company.
- Invests in managing, developing, constructing, reconstructing, and housing projects, along with other developmental activities for the Parent Company.
- Handles transactions related to securities, such as purchasing and selling shares and bonds from companies, government, and semi-government entities for the Parent Company.
- Operates as an investment advisor, unregistered security broker in the stock exchange, manages investment portfolios & acts as a manager for collective investment schemes.
- Conducts various financial transactions including borrowing, providing guarantees, and issuing bonds, both secured and unsecured, in local and international markets.
- Involved in structuring, consulting, and buying and selling assets related to securitization operations, either for the Parent Company or other clients.

Main Shareholders

Shareholders Name		Ownership %
Abdullatif Khaled Abdulaziz Al-Sahli	:	26.132%
National International Company (Holding)	:	31.65%

Main Shareholders



Introduction about the Company

Board of Directors

The Board of Directors of Coast enjoys a structure that suits the Company's size and nature. The Board includes members who enjoy professional experience, high education standards and specialized talents in addition to a considerable knowledge of the laws as well as defined duties, roles and responsibilities. The Board of Directors are composed of 5 members elected by the Annual General Meeting of Shareholders for three-year term, with re-election permitted. The following are the Board Members :



Board of Directors Members

Chairman	: Basim Abdullah Alothman
Vice Chairman	: Assad Ahmad Albanwan
Member	: Abdulwahab Mohammad Ali Alwazzan
Member (Independent)	: Osama Abdullah Alayoub
Member	: Ayad Abdullah Al-Sumait

External Auditor



External Auditor Name

Auditor	: Al-Aiban, Al-Osaimi & Partners-Ernst & Young
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Executive Management



Executive Management Members

Chief Executive Officer	: Assad Ahmad Albanwan
Senior VP - Asset Management Group	: Jassim Mohammad Alzaid
Senior VP - Support Group	: Christy Idichandy Kulathooran
Senior VP- Compliance & Legal Affairs Group	: Fares Halal Madi

Legal Advisor



Legal Advisor Team

Legal Advisor Office Name	: Al-Khebrah Legal Consultant & Lawyers
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Investment Portfolio

Coast provides tailored portfolio management services, focusing on optimizing returns while managing risk. These portfolios are customized to align with individual client objectives and market conditions.

Fund Management

The company manages a variety of investment funds, offering clients access to diversified investment opportunities across different asset classes and markets.

Advisory Services

Coast offers comprehensive advisory services, including corporate finance and investment banking. Their expertise encompasses mergers and acquisitions, capital raising, and strategic financial planning.

Listing

Support is provided throughout the process of listing on public markets, ensuring a seamless transition and unlocking new opportunities in the public domain.

Real Estate Investments

The company engages in real estate investments, involving the acquisition, development, and management of properties. This includes both local and international real estate projects.

Online Trading (Coast eTrade)

Coast provides an advanced online trading platform, Coast eTRADE, which offers real-time market data, news, and the ability to trade in global markets. The platform includes features such as order management and portfolio evaluation.

Valuation

Comprehensive valuation services offer a clear understanding of the intrinsic value of investments. In-depth assessments are conducted for both public and private companies to support sound decision-making.

Mergers & Advisory

Expert advisory support facilitates the successful navigation of mergers and acquisitions, helping identify and evaluate the most suitable opportunities for business growth.

Vision

Our vision at Coast is to set the standard for excellence in the GCC's investment landscape. We aspire to be the premier investment company, known for our innovative investment products and services. By consistently delivering market-competitive returns to our shareholders and clients, we aim to redefine the possibilities of financial success. Our values are rooted in integrity, expertise, and a commitment to your financial journey.

Mission

Our mission is to be a driving force in the world of finance. We engage in diverse financial activities, managing investments in shares, private equity, and asset management across local, GCC, and international markets. Our commitment extends to providing an extensive array of investment services, including fund and investment management, advisory services, corporate finance, and cutting-edge online trading. We empower both individual investors and institutions to navigate equity markets and sophisticated financial instruments worldwide. Our mission is to facilitate financial growth and prosperity for our clients.

The strategic objectives for the next five years are:

1

Optimizing Asset Allocation: Focus on divesting underperforming assets and reallocating capital to high-growth markets, particularly in the GCC and Saudi Arabia, and diversify investments across sectors like technology, healthcare, and infrastructure.

2

Enhancing Portfolio Management: Improve client returns by targeting high-growth sectors, implementing active portfolio management, and expanding the client base to include more high-net-worth individuals and institutional investors.

3

Expanding Investment Activities: Launch a new GCC-focused fund, engage in new business activities like online brokerage and real estate development, and acquire private equity investments in high-growth sectors.

4

Human Resources Development: Invest in talent acquisition and leadership development and focus on building a performance-driven culture.

5

Digital Transformation and IT Integration: Leverage technology to improve operational efficiency, enhance client services, and strengthen cybersecurity, including launching a client-centric mobile platform.

6

Strategic Approach to Funding: Prioritize securing bank loans and financial facilities while divesting underperforming assets to raise capital for strategic growth initiatives.



- The Company's Board of Directors is committed to establishing a strategy that reflects the Company's vision in accordance with sound governance standards. Through this, the Company aims to maintain a high level of systems and standards of integrity in all information, in addition to complying with the regulatory requirements issued by the Capital Markets Authority.
- Corporate governance rules regulate the methodology for decision-making within the company and promote transparency and credibility in those decisions. One of the most important objectives of corporate governance rules is the protection of shareholders.
- Corporate governance rules are represented in the principles, systems, and procedures that ensure optimal protection and balance between the interests of the company's management, its shareholders, and other related stakeholders.

- The primary objective of applying corporate governance rules is to ensure that the company's direction aligns with the goals of its shareholders, thereby strengthening investor confidence in the company's performance efficiency.
- The Company has conducted due diligence in corporate governance by establishing the following rules and adopting and implementing policies and regulations to ensure effective governance practices:
 - Establishing a balanced structure for the Board of Directors
 - Properly defining roles and responsibilities
 - Selecting qualified individuals for Board membership and executive management
 - Ensuring the integrity of financial reporting
 - Implementing sound risk management and internal control systems
 - Promoting professional conduct and ethical values
 - Ensuring accurate and timely disclosure and transparency
 - Respecting shareholders' rights
 - Recognizing the role of stakeholders
 - Enhancing and improving performance
 - Emphasizing the importance of social responsibility
- The Board remains committed to meeting the requirements of the Kuwait Capital Markets Authority (CMA) through disclosures to regulatory bodies and relevant stakeholders.

The Board of Directors formed three specialized committees following the election of the new Board members in May 2022, with the aim of enabling the Board to perform its duties effectively, in line with the company's needs and the nature of its business, which requires the existence of such committees. A sufficient number of members, including non-executive members and an independent member in three of the committees, were appointed. These committees operate in accordance with internal regulations established and approved by the Board of Directors, which define each committee's responsibilities, term of operation, delegated authorities, and the oversight of the Board over their work. **The Board Committees established within the Company:**

1. Nominations and Remuneration Committee
2. Risk Committee
3. Audit Committee

Nominations and Remuneration Committee: This committee is responsible for preparing recommendations related to nominations for Board and executive management positions, as well as policies and regulations governing the granting of compensations and rewards. It also recommends the acceptance of nominations and re-nominations for Board and executive management positions, sets the remuneration policy for both groups, proposes performance indicators, evaluates the members and executives, and submits recommendations to the Board of Directors. It also undertakes other responsibilities within its defined scope of authority.

Risk Committee: The Risk Committee primarily works on assessing, monitoring, and mitigating all types of risks facing the company. It reviews transactions and dealings proposed with related parties and provides suitable recommendations to the Board. It is also responsible for preparing and reviewing risk management strategies and policies, and for evaluating the systems and mechanisms used to identify, measure, and monitor different types of risks that the company may be exposed to. The committee helps the Board identify and assess the acceptable risk level for the company and ensures that the company does not exceed this level once it has been approved by the Board.

Audit Committee: The Audit Committee works to establish a culture of compliance within the company by ensuring the accuracy and integrity of the company's financial reports. It verifies the adequacy and effectiveness of the internal control systems applied in the company, reviews periodic financial statements before submission to the Board, and recommends the appointment or reappointment of external auditors while ensuring their independence. The committee also assesses the adequacy of the internal control systems and provides technical oversight over the Internal Audit Department to ensure it is effectively carrying out the tasks and duties assigned by the Board of Directors.

The company is committed to maintaining the highest standards of ethical behavior, which serve as the foundation for the professional and responsible conduct expected from all employees. The Code of Conduct for Board Members and Executive Management reflects the business practices and behavioral principles that support this commitment. The company's core values represent a set of guiding beliefs that shape daily operations—extending their influence beyond internal matters to encompass all stakeholders.

The key principles of ethical conduct include:

Loyalty

Employees are expected to carry out their responsibilities to the best of their abilities and judgment, prioritizing the company's interests and objectives. They must act in good faith and dedicate sufficient time and attention to the fulfillment of their duties.

Integrity, Impartiality, and Sound Judgment

Employees must exercise discretion and demonstrate a high degree of care in all matters related to the company, both during and after their employment. They must avoid actions, public statements, or activities aimed at personal gain that could compromise their integrity, impartiality, or professional standing.

Professional Conduct Within the Company

Employees must refrain from attempting to influence management decisions—whether for their own benefit or for that of others—in matters still under consideration and within the scope of their or executive management's responsibilities.

The **social responsibility** pursued by the company reflects its ongoing commitment to act ethically in accordance with applicable laws, and public norms, while contributing to the sustainable development of society at large and the well-being of the company's employees in particular.

Key aspects of the company's approach to social responsibility include:

- Aligning social responsibility objectives with the company's vision, mission, and strategic goals.
- Defining the company's direction in the field of social responsibility and identifying the focus areas for its social responsibility programs.
- Promoting a culture of social responsibility within the company to achieve its intended outcomes.
- Continuously informing employees about the company's social responsibility goals and initiatives.

The following are key benefits that corporate values bring to the company:

- Enabling sound decision-making.
- Facilitating effective communication.
- Motivating employees, building strong teams, and retaining talent.
- Attracting more customers.
- Enhancing business focus and achieving strategic objectives.
- Driving excellence and differentiation from competitors.
- Instilling a sense of responsibility among employees toward their work.

Social Responsibilities

The company strives to ensure that all its operations and activities align with the interests of the community, contributing to its development and growth. This refers to sustainable development—meeting current needs while providing necessary support to the community in a way that brings long-term benefits to both the company and society. Therefore, the company is committed to making ethical conduct and compliance with applicable laws and regulations a fundamental pillar of its business practices.

The company affirms that its achievements in the area of corporate social responsibility are among the positive indicators of its overall performance. As such, it is dedicated to aligning its values and business strategy with the social and economic needs of the community, while ensuring that all commercial activities are conducted responsibly and ethically.

Several community-serving projects have been implemented. In this regard, the following things have been achieved within the social responsibility plan for 2024:

The company continued to communicate during 2024 with charitable, educational and training bodies and public benefit institutions, and sponsorship was arranged for the project to motivate citizens and residents to donate blood in addition to the company's employees.



The company continued to cover vacant jobs and must be registered from the current employees of the company and qualified to fill these positions, allowing employees in general to develop and promote at all levels, in addition to appointing new calibers that help the company achieve its strategic objectives and enable it to keep pace with developments and legislation related to it.



The company continued to provide and attract rehabilitation and training programs for employees during the year, some of which are related to the instructions issued by the regulatory authorities and some of which are related to the nature of work in the company.



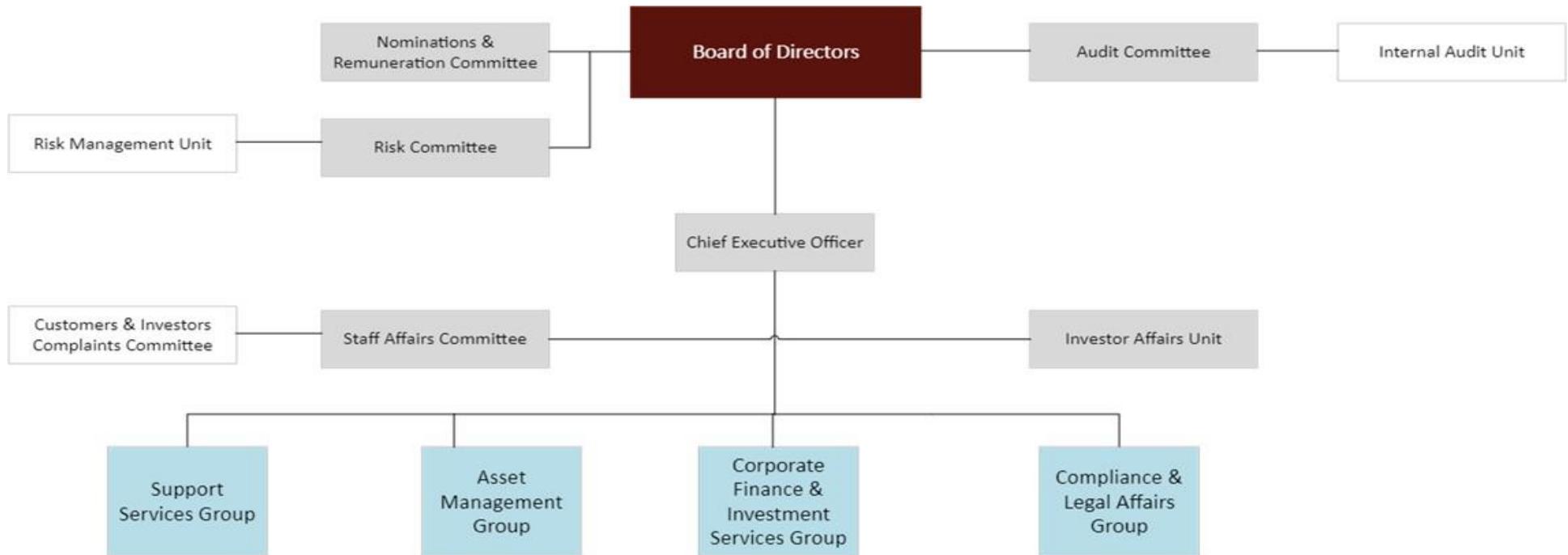
A team of employees from Coast was formed to attend a training course on first aid and (CPR) procedures.

Organization Structure

The company's corporate model supports the implementation of its strategy and its ability to achieve its objectives, as it governs all formal relationships among company employees. The authorities and responsibilities required of each individual within the company have been clearly defined. The organizational structure of Coast is centralized and unified.

The company's organizational structure has been designed with a short management hierarchy, allowing for the delegation of responsibilities to multiple individuals, which enhances the speed of decision-making. At the same time, each manager is responsible for a larger team and is granted the authority and autonomy to make appropriate decisions in line with the powers assigned to them as per the approved Authority Matrix.

The company has been divided into departments with clearly defined scopes of work, and the communication mechanisms between these departments have been established to ensure interaction, enhance mutual understanding and flexibility, and facilitate easier communication between teams. This encourages the exchange of ideas and fosters greater innovation. All department heads report functionally and administratively to the Chief Executive Officer, who in turn reports to the Board of Directors.



This section defines the business model adopted by Coast which is driven by the value proposition that Coast can offer high quality and competitive services. It is worth noting that various external factors such as economic downturn, changes in laws and regulations, rapid changes in technology and government reforms might adversely affect the ability of Coast to achieve its target.

Key Partners ▪ Customers ▪ Investee companies ▪ Employees ▪ Brokers ▪ Stock Exchanges	Key Activities ▪ Managing Clients funds and Delivering enhanced returns to customers ▪ Investing in undervalued companies ▪ Investing in Private Equity, Venture capital funds ▪ Investing in Real Estate Properties ▪ Research & Development ▪ Implementing Innovative Technology	Cost Structure ▪ Salaries ▪ Licensing and custody costs ▪ IT system maintenance cost ▪ Audit, Compliance and legal cost ▪ Marketing Costs ▪ Consulting, Research acquisition cost	Customer Relationships ▪ Personalized services for VIP clients ▪ Customer Personalization using digital technology ▪ Website	Value Proposition ▪ Benchmark exceeding performance of Investments funds at competitive management fees ▪ Client Servicing call center ▪ VIP client servicing ▪ Many products to choose – Brokerage, Asset Management, Real Estate Services ▪ Using Technology to Serve Customers – Company’s Brokerage App, Asset Management application ▪ Best Customer Experience and Customer Personalization	
Key Resources ▪ Company Managed Funds, Portfolios ▪ Internationally offered Brokerage platform ▪ Equity Research ▪ Advisory Services ▪ Co-investment along with Private Equity offerings		Revenue Stream ▪ Fees from Asset Management, Brokerage ▪ Investment Income from Venture Capital and Private Equity Funds, Direct Investments, Associates and Mutual Funds ▪ Bank deposits ▪ Dividends and gains from managed portfolios	Distribution Channels ▪ Company office ▪ Website		Customer Segments ▪ Government and Semi Government ▪ Corporates ▪ High net worth individuals

The Risk Management Unit Role

The Risk Management Unit in the company encompasses all areas where risks exist or are likely to arise. This unit ensures the effectiveness of the overall risk management process. All company employees play an important role in managing these risks.

Risk management within the company is conducted proactively, and the approach is flexible enough to integrate any new business activities undertaken by the company. The risk management policy is comprehensive and is disseminated across the various departments of the company.

The Risk Management Unit is equipped with adequate administrative resources to appropriately identify, assess, and address business risks.

The Internal Audit Unit Role

The company has an Internal Audit Unit that is adequately resourced and appropriately qualified. It plays a vital role in providing the Board and executive management with an objective and comprehensive view of the company's operations and the risks it faces.

The internal auditor is responsible for understanding and documenting business procedures, identifying risks and control measures, and ensuring that these controls are effective in mitigating and reducing risks. Additionally, the Internal Audit Unit works to ensure compliance with company policies and standards of conduct.

The Compliance Department Role

The Compliance Department is responsible for overseeing the company's adherence to applicable laws, regulations, and internal policies, ensuring the effective implementation of the governance framework. It monitors compliance across all departments, identifies potential risks, and advises on corrective actions to maintain regulatory integrity. The department ensures timely, accurate, and complete disclosures to regulators and stakeholders, including financial reports and material information, in line with CMA and Bursa Kuwait requirements. It also plays a central role in enforcing the Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) framework by implementing KYC procedures, monitoring transactions, reporting suspicious activities, and providing ongoing AML training to staff and management, in accordance with Law No. 106/2013 and relevant CMA resolutions.

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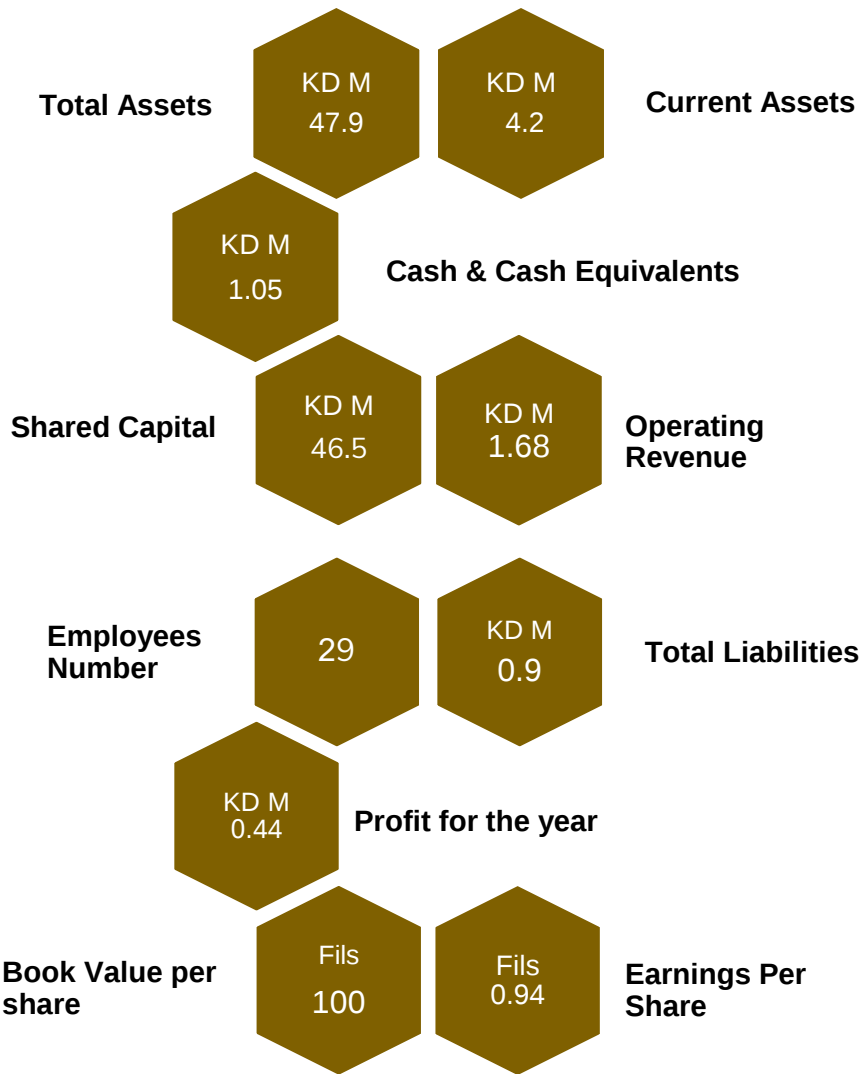
Future Outlook

Company Operations

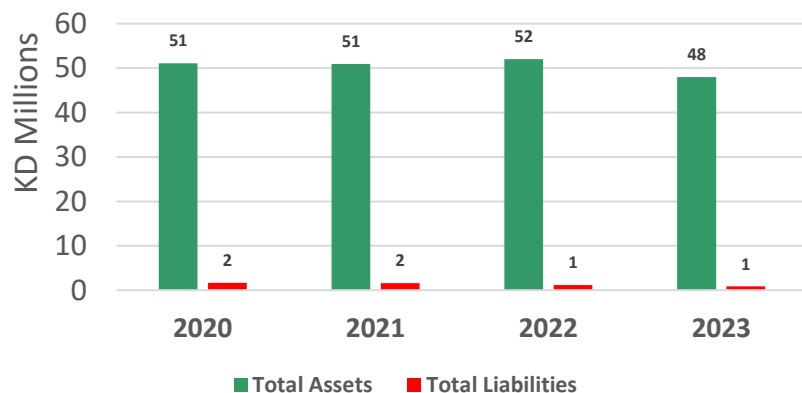
Coast Investment & Development Company continued to operate as a diversified investment entity with a focus on managing strategic equity stakes, private equity funds, real estate holdings, and regional financial assets. Despite facing challenging macroeconomic conditions—including rising interest rates, liquidity contraction in the Kuwaiti market, and global volatility—Coast maintained its long-term investment strategy anchored in income-generating assets, strategic participations, and selective geographical diversification.

Company Performance

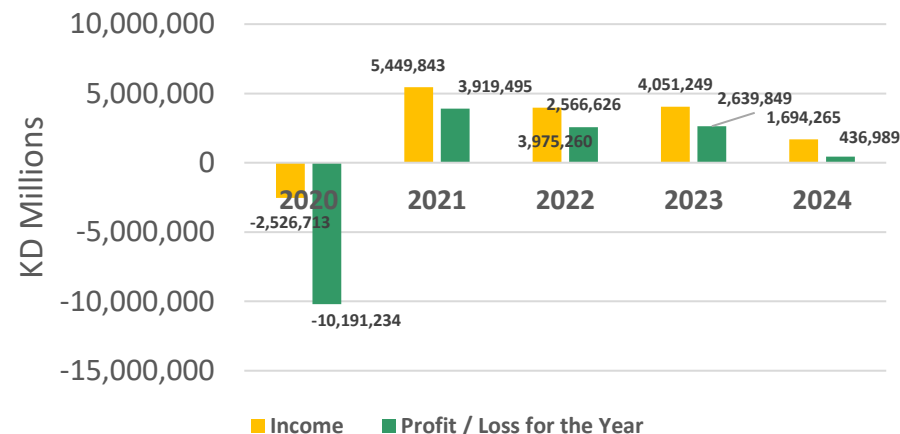
The total assets of the company at the end of 2024 amounted to KWD 47.96 million, compared to KWD 52.02 million at the end of 2023. Shareholders’ equity as of the end of 2024 stood at KWD 47.06 million, compared to KWD 50.84 million at the end of 2023. The return on assets(ROA) for the fiscal year ended December 31,2024, was 0.91%, compared to 5.07% in 2023.The return on shareholders’ equity (ROE) at the end of 2024 was 0.93%, compared to 5.19% in 2023. The company recorded a net profit of KWD 436,989 and earnings per share (EPS) of 0.94 fils for the year ended 31 December 2024. This represents a significant decrease of 83.45% in net profit compared to the previous year, which recorded a net profit of KWD 2.64 million and an EPS of 5.68 fils.



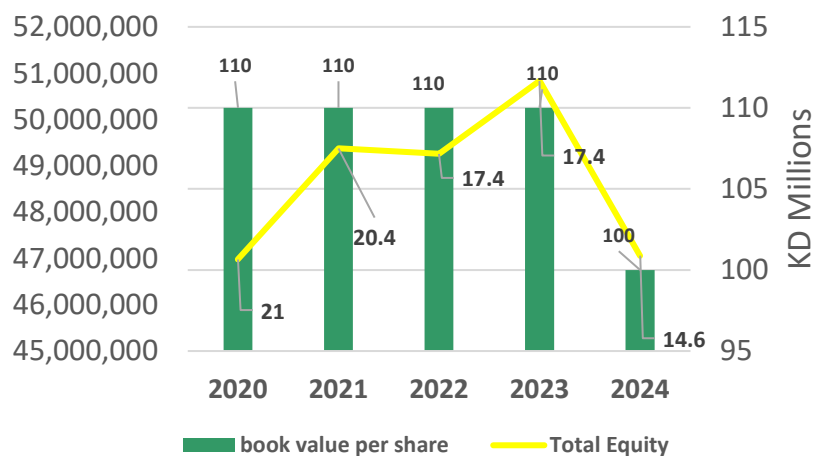
Statement of Financial Position



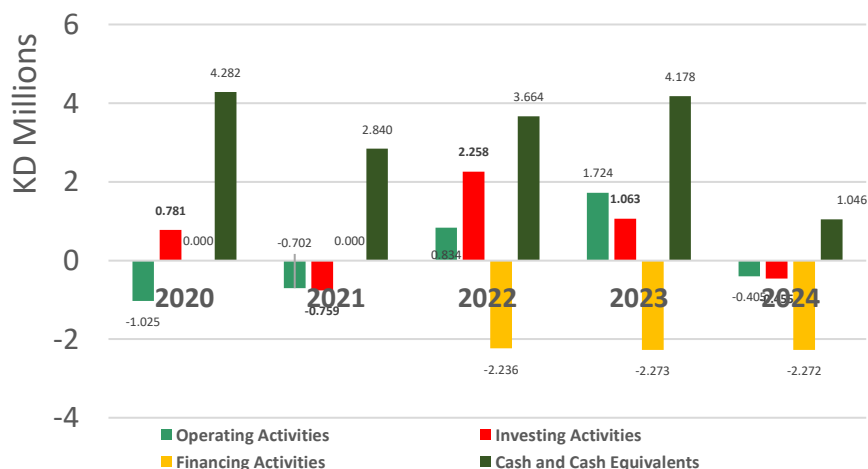
Consolidated Statement Profit & Loss



Equity and book value per share (fils)



Cash Flows



Financial Performance for the Fiscal Year Ended 31 December 2024

Amount in Thousand Kuwaiti Dinars

Financial Position Statement	2024	2023	2022	2021	2020
Equity Attributable to Shareholders	47,057,464	50,835,695	49,257,258	49,359,125	46,943,435
Non-Controlling Interests	-	-	-	18,906	32,080
Non-Current Assets	43,757,788	44,540,307	45,682,831	45,606,943	43,175,200
Total Assets	47,962,222	52,020,153	50,898,676	51,083,236	48,399,774
Total Liabilities	904,758	1,184,458	1,641,518	1,705,205	1,424,259

Amount in Thousand Kuwaiti Dinars

Income Statement (Profits or Losses)	2024	2023	2022	2021	2020
Total Revenues	1,694,265	4,051,249	3,975,260	5,449,843	(2,526,713)
Net Profit / (Loss) for the Year	436,989	2,639,849	2,566,626	3,919,495	(10,191,234)
Earnings per Share (Fils)	0.94	5.68	5.52	8.43	(17.44)

Financial Performance for the Fiscal Year Ended 31 December 2024

Amount in Thousand Kuwaiti Dinars

Cash Flow Statement	2024	2023	2022	2021	2020
Net Cash (used in) from Operating Activities	(404,643)	1,724,224	833,710	(701,655)	(1,024,764)
Net Cash (used in) from Investing Activities	(455,037)	1,062,580	2,258,028	(759,306)	780,798
Net Cash Used in Financing Activities	(2,272,386)	(2,272,737)	(2,235,991)	-	-
Cash and Cash Equivalents at Year-End	1,046,367	4,178,433	3,664,366	2,839,581	4,282,563

Amount in Thousand Kuwaiti Dinars

Equity Ratios	2024	2023	2022	2021	2020
ROA (%)	0.91	5.07	4.8	(0.03)	0.07
ROE (%)	0.93	5.19	5.22	(0.03)	0.09
P/E Ratio	46.6	9.35	4.54	(675)	833.3
P/B Ratio	0.43	0.5	0.22	0.23	0.22

Efforts exerted by Management

During the year 2024, key management decisions were undertaken in order to create and maintain corporate value in short term, medium term and long term. The following are the details:

Short Term Key Decisions

- Reorganize the company manpower structure to be an attractive place for best talents to work. Attract more national caliber to the company in Asset Management, Business development, Customer services.
- Ensure the organization have succession plan for each senior level staff and middle level staff.
- Develop sophisticated IT platforms for best client servicing and reporting by using SAS model platforms.
- Automation for payments, workflow to transform to a more efficient operation.
- Continuous review of all manuals of the company to be in line with Local laws, best practice in operations.
- Establish new funds, products, services to generate higher fees or commission Income.
- Brand building exercise by publishing research to public, more marketing effort
- Achieving all company documents – historical and current documents to be electronically archived
- Implement KPI's for every department to deliver better performance.

Medium Term Key Decisions

Investments & Managing Funds

- Investments in funds, securities where CIDCO can achieve 10% IRR for listed equities with liquidity of funds/portfolios minimum quarterly basis. For Private Equity / Venture funds with target IRR of 15%.
- Divest from investments of Coast where single investment exposure is more than 10% to mitigate concentration risk.

Asset Management Group

- Build the company AUM with many products and services in next 2 years with an active AUM of KD 150 Million with good Performance track record
- Offer new fund investments / Money market investment products to Clients to expand AUMs.

Real Estate Investments

- Real estate funds which can provide semi-annual dividends and operating in major US cities or Kuwait.
- Use Bank facilities to enhance the ROI on the Real Estate investments.

Long Term Key Decisions

Regular Dividend distribution to shareholders & share price performance

- Target ROE not less than 10% and consistently pay dividend to shareholders not less than 5 fils annually.
- With better company financial performance, the share market price of Coast to appreciate to over 100 Fils in next two years

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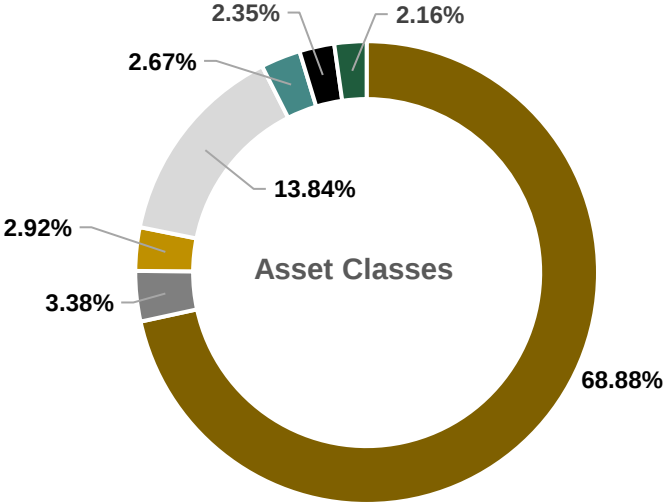
Part Five

Strategy & Performance

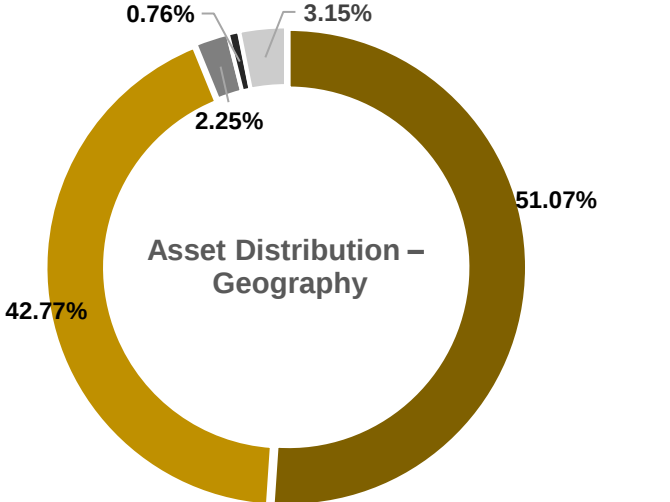
Part Six

Future Outlook

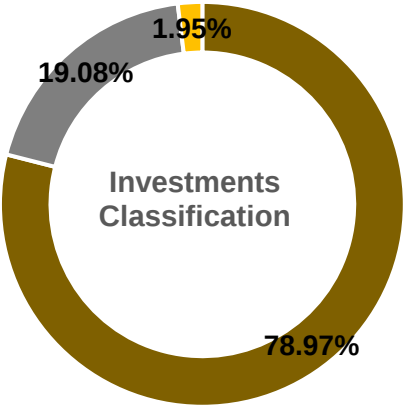
Overview of the Company's Investments



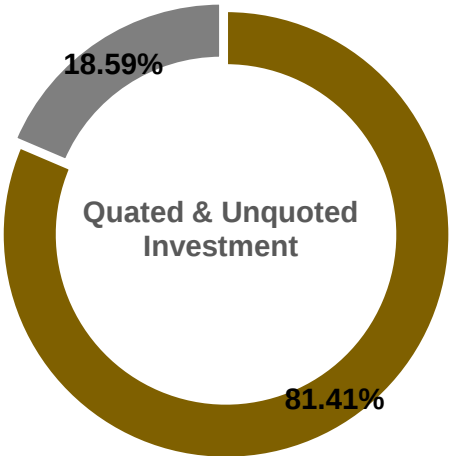
- Associates
- Private Equity - Direct
- Other Assets
- Local Portfolio & Open Ended Funds
- Foreign Portfolio
- Fixed Assets
- Cash Equivalent



- Kuwait
- Europe
- GCC (Excluding Kuwait)
- USA
- United Kingdom



- Investment in associates
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income



- Quoted
- Unquoted

Overview of the Company's Investments

Investment	Place of Business	Percentage of Ownership Retained	Investment Overview
Weinig International AG	Germany	12.37% (6.1M Shares)	A global leader in solid-wood processing machinery with operations in Germany, Austria, Sweden, and China. Coast recorded a share of results of KD 430K YTD 2024 and a book value (including goodwill) of KD 15.21 million
Ricosta GmbH	Germany (with facilities in Hungary, Romania, Croatia, Poland)	23.73% (10,500 Shares)	European leader in children's footwear, facing increased production costs and reduced staff in 2024. Coast recorded a YTD loss of KD 120K from this investment
TCA Global Credit Master Fund	United States	Class A-2 USD Shares, 965.7673 units	Under receivership following SEC investigation. Coast invested USD 1 million in 2018, with current book value reduced to USD 226,916 (KD 70K). Potential interim recovery estimated at USD 148K–250K depending on legal resolutions
Quanta Dialysis Technologies	United Kingdom / United States	41.53 million preferred shares (converted from loans)	Healthcare tech innovator in dialysis systems. Received U.S. FDA clearance for home-use in 2024. Coast recognized a fair value gain of KD 853.8K since the inception positioning the asset as an advanced-growth potential investment for a higher exit multiple.
Kuwaiti German Holding Company (KGH)	Kuwait (subsidiary of Weinig)	23.493% (130.67 million shares)	Reported a Net profit of KD 2.91 million for the year 2024. Consequently, coast recorded KD 320K gain in share of results for the Period ending Dec. 2024. The total valuation of KGH investment stands at KD 15.44 million (Investment & Goodwill)

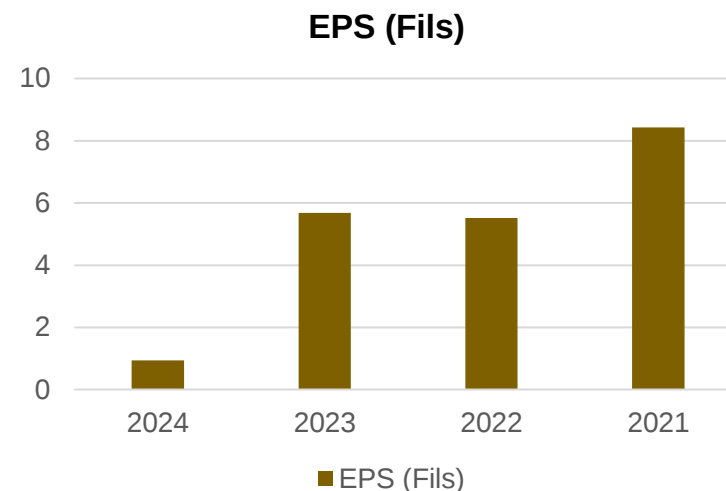
Overview of the Company's Investments

Investment	Place of Business	Percentage of Ownership Retained	Investment Overview
Gazal United for Real Estate	Kuwait	8.18%	Diversified real estate company. Received a total of KD 1.77M distribution since inception and KD 26.8K dividend in 2024
The Pad Project (Omniyat)	Dubai, UAE	Asset Backed Investment	The legal dispute arose due to a default in repayment by the developer. Although Coast won the appeal, the recovery of the outstanding amount remains challenging
Coast Investment Fund (CIF)	Kuwait Concentrated Open Ended Fund	Fund Manager	YTD gain of 8.62%; below 2023's 11.16%. Contains diverse regional listed equities

Overview of the Company's Investments

Overall, the Asset Management Group are functional within Coast including Operations, Investment, Business Development & E-Trade. The following are the key financial performance indicators of Coast for the year 2024:

- Coast generated a profit of KD 436,989 driven by net income from investments and share of profits from associates. The result of these profits reflected positively on the financial position where the total assets decreased by 83.45% compared to 2023.
- Liquidity position improved during the year as the company sustained its liquid assets. This provides leverage to Coast in capitalizing on future investment opportunities.
- Coast's investments are concentrated in Europe with 42.77% of its investments mainly through private equity direct investment compared to 42% in 2023.
- Shareholders at the AGM have unanimously approved the BOD recommendations to distribute cash dividends of 5 fils for the year 2023.



As of 31 Dec	2024	2023	2022	2021
	(%)	(%)	(%)	(%)
Return on Equity	0.93%	5.19%	5.21%	7.94%
Liquidity Ratio	7.11	7.94	3.813	3.811
Gearing Ratio	0.00%	0.00%	0.00%	0.00%
EPS (Fils)	0.94	5.68	5.52	8.43

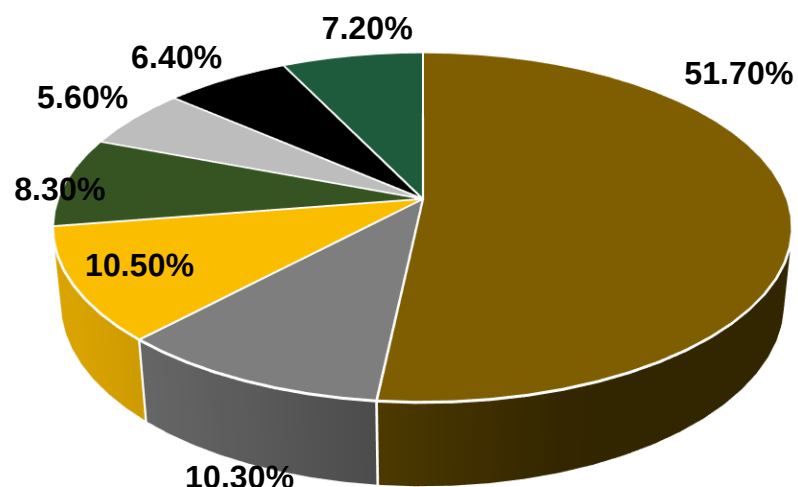
As of 31 Dec 2024, by department allocation	KD Million	% of Total Assets
Investment Department	32,982,836	68.8%
Asset Management Department	10,547,605	22.0%
Management, Treasury	4,431,781	9.2%
Total Assets Allocation	47,962,222	100.0%

Overview of the Company's Coast Investment Fund

The objective of Coast Investment Fund (CIF) is to achieve long-term capital growth with diversified exposure in Kuwaiti equities. Coast Investment Fund adopts a seamless, strategic and analytical approach towards enhancing the returns for Fund holders while controlling risk. The Fund utilizes the latest software and modelling techniques towards effective asset allocation and security analysis.

The CIF is in compliance with Capital Market Authority (CMA) laws and regulations.

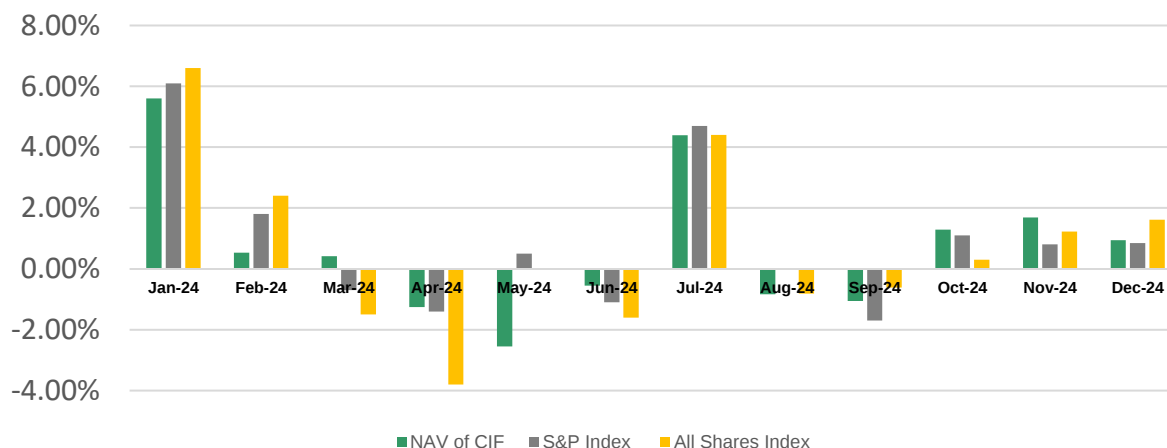
Fund Asset Allocation



- Banking
- Telecommunications
- Industries
- Cash & Cash Equivalents

- Financial Services
- Real Estate
- Unquoted Investment

Fund Performance 2024 - percentage changes (%)



The top 5 investments of CIF end of year represented on average 60.3% of the total portfolio. These are as follows:

1. National Banak of Kuwait
2. Kuwait Finance House
3. Gulf Bank
4. Mobile Telecommunication (Zain)
5. Boubyan Bank

The current Net Asset Value (NAV) is 970 fils increased by 8.62% compared with year 2023 year the NAV was 893 fils.

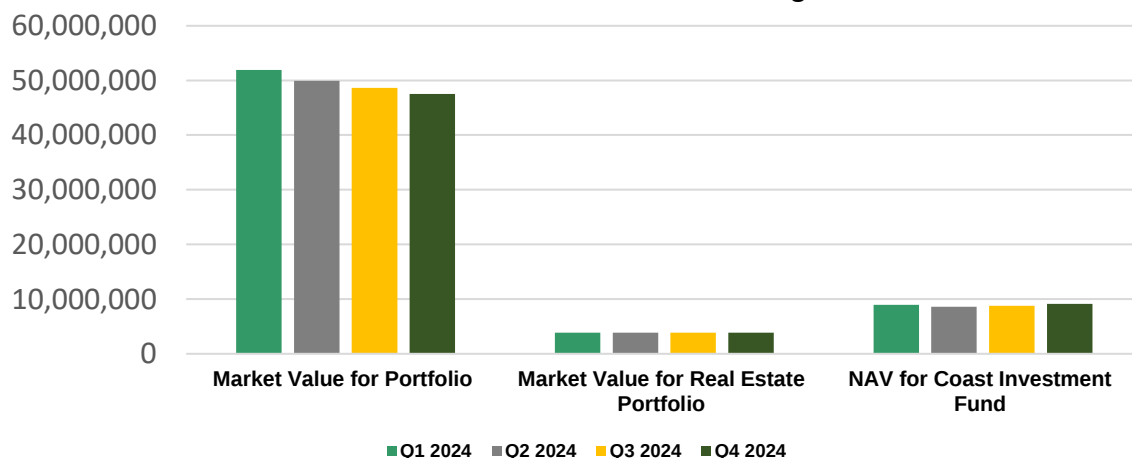
Overview of the Company's Asset Management

KPIs pertaining to company operations and brief reporting of material information is included in this section.

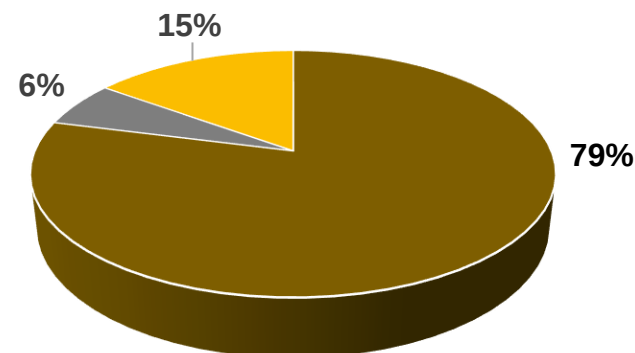
While investment and disinvestment activities were limited during the year 2024, the following are key notable activities during the year:

- Weinig distributed EUR 840K (KD 276 K) as repayment of promissory notes & shareholder loan and EUR 652K (KD 214 K) as dividend for the year 2023.
- Coast Investment Fund recorded a YTD gain of 8.62% compared to 11.16% in the previous year, reflecting a slight variance from the S&P benchmark index.
- Associates' return stands at 1.83% YTD 2024. The share of results for 2024 was KD 629 K.
- The CIDCO trading portfolio (Kuwait market) has recovered from the initial losses and is currently showing a return of -1.19% in 2024 with a total dividend of KD 51 K.
- CIDCO received 4.1 million shares of UAE UAE-based company as part of its local investment with a total value of KD 450 K.
- US Market portfolio generated a negative return of -0.93%, also generating an interest income earned KD 22 K.
- The Saudi Portfolio has successfully recovered from initial losses and has generated SAR 3K.

Market Value of Assets under Management



Asset Class 2024



- Market Value for Portfolio
- Market Value for Real Estate Portfolio
- NAV for Coast Investment Fund

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Future Outlook

This section addresses the key material risks and challenges which we consider as relevant for our business and for our investments. Should any of these events (risks) occur or materialize, our business and financial condition as well as the value of our investments may be adversely affected.

Macro-Economic Risks

- In 2024, global economic activity is expected to remain moderate as inflation softens and central banks cautiously adjust interest rates. However, geopolitical tensions, especially in the Middle East and Eastern Europe, continue to pose downside risks.
- Emerging markets, including GCC economies, face volatile capital flows, uneven oil price performance, and uncertainty around China's economic rebound, all of which may limit investment appetite.
- While developed markets benefit from lower inflation and resilient labor markets, tight credit conditions and the lag effect of monetary tightening continue to weigh on business and consumer sentiment.
- The risk of policy missteps, including premature rate cuts or fiscal tightening, could exacerbate growth fragility. In addition, the ongoing energy transition and climate-related policies may affect oil-exporting regions, including parts of the GCC.
- In the GCC, equity markets are expected to remain selective, with potential upside in diversified and defensive sectors, while broader macro risk factors may constrain near-term performance.

Global Economic Risk Factors – 2024

Key Risk Factor	Risk Level
Geopolitical Tensions	High
Interest Rate Volatility	Moderate
Energy Price Instability	High
China's Growth Uncertainty	Moderate
Capital Flow Volatility (EM)	Moderate
Climate/ESG Policy Shifts	Moderate

Source: IMF, World Bank, Bloomberg, January–March 2024

Risk is inherent in Coast's activities, but it is managed through an ongoing risk management process of risk identification, risk measurement and risk response, subject to certain risk limits and controls. Embedding risk management within the business processes is critical for Coast's continuing profitability.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. Coast is exposed to credit risk from its operating activities (primarily promissory notes issued to associates) and from its financing activities including deposits with banks and financial institutions, and other financial instruments.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below:

	2024	2023
	KD '000	KD '000
Other receivables (included within other assets)	1,318	1,603
Promissory notes (included within other assets)	891	1,232
Cash & Cash Equivalent	1,045	4,177

Company actions to manage Credit Risk

Coast monitors its credit risk exposure regularly and aims to minimize risk concentration by diversifying its operations and counterparties across sectors and regions. Cash and cash equivalents are considered low-risk based on the strong credit ratings of the banks holding these funds. For other receivables and promissory notes, Coast deals only with creditworthy parties. Management believes these counterparties have a strong ability to meet their payment obligations in the near future.

Risk is inherent in Coast's activities, but it is managed through an ongoing risk management process of risk identification, risk measurement and risk response, subject to certain risk limits and controls. Embedding risk management within the business processes is critical for Coast's continuing profitability.

Liquidity Risk

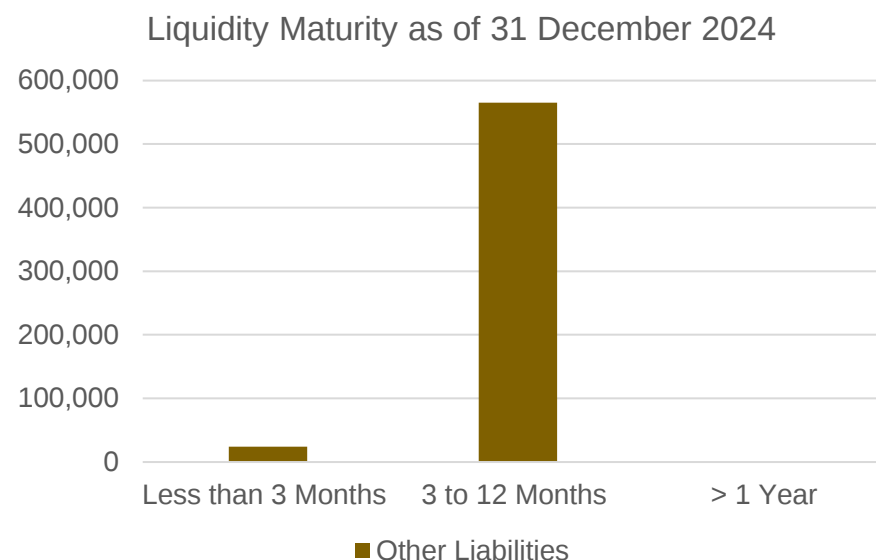
Liquidity risk is defined as the risk that Coast will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The table below summarizes the maturity profile of Coast's financial liabilities and assets based on contractual undiscounted payments:

As of 31 Dec 2024	Less than 3 months	3 to 12 months	>1 year	Total
	KD	KD	KD	KD
Other Liabilities	24,012	565,090	-	589,102

Company actions to manage Liquidity Risk

Coast's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Coast's reputation.

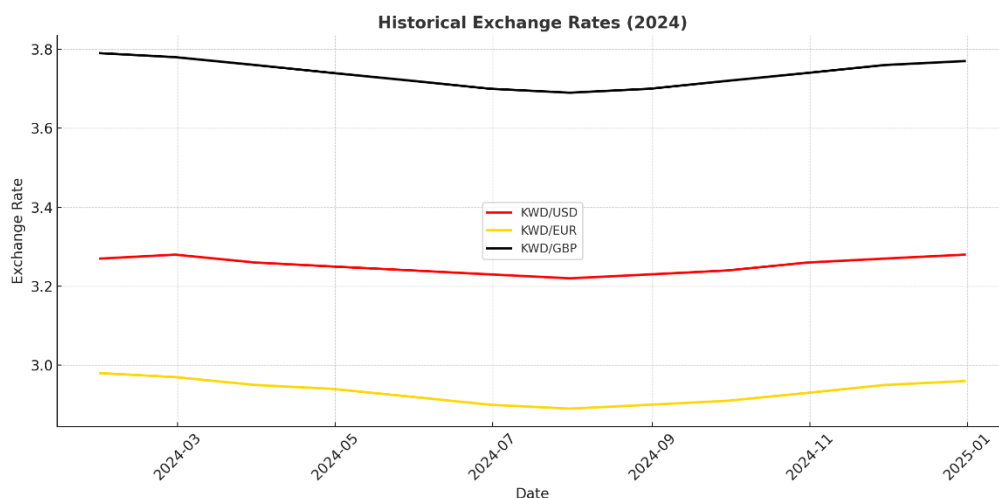


Risk is inherent in Coast's activities, but it is managed through an ongoing risk management process of risk identification, risk measurement and risk response, subject to certain risk limits and controls. Embedding risk management within the business processes is critical for Coast's continuing profitability.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Coast incurs foreign currency risk on transactions denominated in a currency other than the KD. Coast is primarily exposed to Euro, USD & GBP foreign currencies.

Coast's exposure to the risk of changes in foreign exchange rates relates primarily to Coast's operating activities (when revenue or expense is denominated in a foreign currency) and Coast's net investments in foreign subsidiaries.



Company actions to manage Foreign Currency Risk

To mitigate Coast's exposure to foreign currency risk, management works on maintaining a balanced exposure of assets and liabilities by currency to minimize fluctuations in accordance with Coast's risks management policies.

- Coast currently does not use financial derivatives to manage its exposure to currency risk.
- Coast manages its foreign currency risk based on the limits determined by management and a continuous assessment of Coast's open positions, current and expected exchange rate movements.
- Coast ensures that its net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the KD.

Risk is inherent in Coast's activities, but it is managed through an ongoing risk management process of risk identification, risk measurement and risk response, subject to certain risk limits and controls. Embedding risk management within the business processes is critical for Coast's continuing profitability.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the possibility that changes in interest rates will affect the value of the underlying financial instruments.

Challenges

The recent and rapid development of the coronavirus outbreak across the world have required entities to limit or suspend business operations, implement travel restrictions and quarantine measures that have significantly disrupted (or are expected to disrupt) its and investee companies' activities.

Company actions to manage Interest Rate Risk

Coast's exposure to the risk of changes in market interest rates is limited, as most of its interest-bearing assets and liabilities yield interest at commercial rates and re-price in the short term, no longer than twelve months.

Company actions to manage the challenges

In an attempt to manage such events, Coast Investment & Development Company implements its contingency plans which include preventive safety measures, compliance with legal and regulatory guidelines and instructions, and maximize the use of technology and resources management to meet the day to-day operational requirements that are required for continuity of the business.

Main Risks During 2024

Here is a **comprehensive summary of all key risks** identified in Coast's Risk and Control Matrix (RACM) as of Q4 2024, including Compliance, Operational, and Financial Risks:

#	Risk Title	Risk Category	Inherent Risk	Controls	Residual Risk	Key Observations and Recommendations
1	Policies and Procedures Updates	Compliance	Moderate	Proper	Low	Maintain regular updates aligned with CMA; improve internal communication.
2	CMA Disciplinary Board Resolutions	Compliance	Critical	Improper	Critical	Assign compliance monitor; integrate CMA updates in audits.
3	Anti-Money Laundering & CFT	Compliance	Critical	Improper	Critical	Enhance AML training, enforce due diligence, and improve internal controls.
4	Client Call Logs	Operational	Low	Proper	Low	Maintain backup systems and audit compliance with call recording laws.
5	Concentration Risk	Operational	Critical	Improper	Critical	Diversify investment geographically and sector-wise; exit risky exposures.
6	Media Disposal & Re-use Policy	Operational	Moderate	Proper	Low	Enforce media disposal procedures; document all asset removals.
7	E-Trading Department	Operational	Low	Proper	Low	Expand client base; ensure full compliance with data and system security.
8	Network Interruption	Operational	Moderate	Proper	Low	Maintain backup plans and evaluate service providers. Risk under control.
9	Policies & Procedures Manual (Operational)	Operational	Low	Proper	Low	Update manual to include all key risk categories (e.g., credit, liquidity, etc.).
10	IFRS Updates	Financial	Moderate	Proper	Low	Conduct regular IFRS training; ensure transition consistency across reporting periods.
11	VaR (Value at Risk) Analysis	Financial	Moderate	Proper	Low	Rebalance portfolios and reduce exposure to high-volatility markets.

Notes:

- High-Risk Areas: Risks 2, 3, and 5 present critical residual risks due to weak controls or high regulatory exposure.
- Operational Risks are largely well-managed, with proper controls keeping residual risk low.
- Financial and Compliance Risks require ongoing monitoring and strategic mitigation—especially where controls are lacking or improper.

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Future Outlook

The purpose of this section is to clarify the strategic goals and highlight the policies and procedures in place to achieve these goals. This section also highlights the link between the company's ability to achieve its goals and create/maintain corporate value within the company.

Management is in the process of developing an entity-wide strategy to be implemented over the coming period primarily as a result of long-term investment (private equity investments with a life span of +10 years) maturing in the coming period. The contents of the strategy shall affect the company's operations in the short-term, medium-term and long-term. Once the strategy is developed, the Board of Directors shall approve and instruct on the implementation of the strategy.

However, the Investment strategy, which encompasses majority of Coast's activities is based on favoring short to medium term investment horizon in its direct investment portfolio with a balance of returns on an annual or semi-annual basis. The strategy emphasizes on prioritizing investment opportunities according to their liquidity and well-defined exit-strategy.

From an asset class perspective, the proposed investment strategy aims at balancing the asset class allocation with larger emphasis on quoted equity (for liquidity and exit strategy purposes).

Company Losses

The company aims to reduce its losses based on a structured plan, while also planning for investment and real estate expansion and diversifying income sources in terms of both investments and cash flow. Additionally, the company is working toward implementing structural changes to meet the requirements of regulatory authorities.

Human Resources and Workforce

The Board of Directors believes that the company's success lies in the knowledge and expertise of its workforce. The company is distinguished by having a talented team with the appropriate experience and knowledge across various business sectors. The company provides continuous training and development programs for all employees, offering them opportunities to enhance their skills and knowledge while staying updated with best practices in the industry.

As part of its commitment to achieving these goals, the company places strong emphasis on the career development of each employee. It continues to invest in employee training and is keen on fostering a dynamic and motivating work environment — one that blends teamwork with creativity and professionalism. This approach has consistently enabled the company to attract and retain a team of highly qualified professionals with outstanding reputations and unmatched commercial, financial, and analytical expertise.

Investment Philosophy

The company evaluates investments and reviews their performance from a risk management perspective. It invests in companies with high long-term growth potential and positive operating cash flows. Additionally, the company seeks to invest in niche markets that possess a clear competitive advantage.



Business Model

The Board of Directors seeks to create value within the company over the short, medium, and long term. To achieve this, the Board has adopted the Code of Business Conduct, which affirms the existence of mechanisms to follow these practices and adhere to best professional standards and corporate values. The company creates corporate value through the following:

- Acquiring strategic investments in select companies, industrial sectors, and investment instruments that demonstrate capital growth potential, with a geographic focus on Kuwait and Middle East.
- Diversifying the company's portfolio to include marketable securities and real estate to mitigate risk.
- Maintaining a strong balance sheet with ample equity and healthy financial leverage.
- Developing highly skilled human capital and an advanced infrastructure to support operations.
- Seizing investment opportunities with promising returns.
- Expanding operations by attracting specialized and experienced professionals.
- Developing operational manuals, policies, and procedures across all organizational units.
- Strengthening relationships with regulatory authorities such as the Capital Markets Authority and other stakeholders (Kuwait Stock Exchange and Kuwait Clearing Company).

Community Support and Social Responsibility

The company's social responsibility strategy is based on several core values, as well as a strong commitment to ethical conduct and adherence to applicable laws and regulations, which form a fundamental pillar of the company's operations.

The company may allocate a dedicated social responsibility budget to be spent on social activities within the State of Kuwait. This initiative reflects the Board of Directors' commitment to directing the company toward supporting community services and social projects, and it has been approved by the General Assembly.

Strengths

- Executive management and those charged with governance are experienced and skilled in diversified areas within the investment sector.
- Debt-free entity, hence possibility to enter into new investments through debt financing.
- Diversified investments (primarily in mature economies), reducing concentrated macro-economic exposure.

Weaknesses

- Majority of investments are illiquid and not generating sufficient ROI and cash flow for company's growth.
- Absence of comprehensive products and service lines to offer to HNWI and Sovereign funds.
- The AUM's are not large enough to generate sufficient income to cover operating expenses

Opportunity

- Starting brokerage platform to enhance fees income
- Joint venture arrangements with other investment companies for new products.
- Investment in Real Estate Development and Project Management.
- Developing Portfolio Management and Asset Management to increase fees income growth.
- Investment in FinTech and Innovative Investment Products in line with the laws and regulations.
- Expand product offerings.

Threats

- Investments under performance due to economic downturn in Germany and Europe.
- Low oil prices causing less economic growth affecting capital market performance which CIDCO greatly depend on for client or self.
- Inflation & recession due to Russia – Ukraine, Israel-Palestinian ongoing war which will adversely affect on the general economic condition.
- Concentration of illiquid investment in Europe, limiting cash inflow and limited exit strategies.

External Factors Affecting the Company's Financial Position

External Factor Assessment		Description	Effect Type	Impact on investment
Political Dimension	Regional politics	Impact of changing geo-political situation	<i>negative</i>	Possible decline in investment value and revenue.
	Change in Government	Changes in the political environment as a result of change in government	<i>negative/positive</i>	Depending on the region of Coast's investment, the impact could be positive or negative.
	Inter-country relationships	Enhanced collaboration and trade deals	<i>positive</i>	Enhanced market performance and therefore, asset growth.
Economic Dimension	Global Economic Recession	Changes in global economic cycle	<i>negative/positive</i>	Opportunity for capitalizing on new investment and fall in value of current investments.
	Inflation, War	Sluggish economic performance due to the social, political and macro-economic impact of the Inflation and War	<i>negative</i>	Financial losses due to inflation, higher interest rate, war in Ukraine and middle east tensions
	Economic Wars	Economic wars (e.g. USA and China, China and Taiwan) affects global economies, supplies, commodities prices, supply chain disruption.	<i>negative</i>	Sluggish growth of businesses, market decline, recession.
	Recovering Oil Prices	Global demand post reduced inflation, Ukraine and Gaza war is expected to positively impact oil prices due to higher economic activities	<i>positive</i>	Opportunity for higher investment return.
Social Dimension	Access to Talent	Inability to attract skilled and experienced talent	<i>negative</i>	Restricted capabilities for innovation.
	Talent Retention	Loss of skilled staff	<i>negative</i>	Restricted capabilities for innovation.
Technology Dimension	Rapid changes in Technology	Introduction of new technology	<i>negative</i>	Loss of revenue if Coast is unable to respond to technology changes.
	Not investing in technology changes in time	Delayed adoption and investment in technology/innovation	<i>negative</i>	Losing competitive advantage and opportunities for investment

Financial Capital

In 2024, Coast's share price rose from **68 fils to 73 fils**, reflecting stronger investor confidence and macroeconomic stabilization amid global interest rate cuts. A **5-fils dividend** was distributed based on the FY2023 performance.

Manufactured Capital

Coast strengthened its operational infrastructure by upgrading trading platforms and IT security systems, enhancing efficiency and client service. Ongoing investments in systems and premises support seamless transaction execution.

Intellectual Capital

Proprietary tools and analytics dashboards were enhanced, supporting more accurate fund reporting and improved decision-making transparency for Asset Management and Investment Fund teams.



Human Capital

The company advanced its workforce strategy through:

- Cross-functional rotations
- AI and data analytics workshops
- Client-focused training These initiatives boosted employee retention and aligned workforce capabilities with strategic goals.

Social Capital

Coast expanded its community efforts by supporting youth employment and financial literacy programs for Kuwaitis. Full tax compliance also reinforced Coast's contribution to national development.

Natural Capital

With minimal direct environmental impact, Coast improved sustainability through:

- Smart energy systems
- 15% reduction in paper usage
- Water-saving initiatives demonstrating its commitment to responsible resource consumption.

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The projections are management expectations of future level of performance based on the macro-economic environment of the company. This section includes assessment of possible and probable difficulties and challenges encountered with regards to achieving company objectives and targets

Year	Inflows (Operating)	Outflows (Investing)	Net Cash Flow	Closing Cash Balance
2025	KD 6,904,854	KD 6,234,312	KD 670,542	KD 1,716,909
2026	KD 7,007,685	KD 6,534,822	KD 472,863	KD 2,189,772
2027	KD 7,309,101	KD 6,707,592	KD 601,509	KD 2,791,281

The opening balance for 2025 is KD 1,046,368, carried forward from 2024.

Cash Flow Analysis (2025–2027)

Stable Inflows Growth: Coast anticipates a steady increase in inflows, growing from KD 6.9 million in 2025 to KD 7.3 million in 2027, reflecting optimism in investment recoveries and operational cash generation.

Disciplined Outflows: Outflows remain contained, rising only moderately year-on-year. The investing discipline helps support a positive net cash flow in all forecasted years.

Strengthened Liquidity: The company's closing cash balance nearly triples from KD 1.05 million in 2024 to KD 2.79 million in 2027, improving its liquidity buffer and enabling flexibility for future investment opportunities or unforeseen economic shifts.

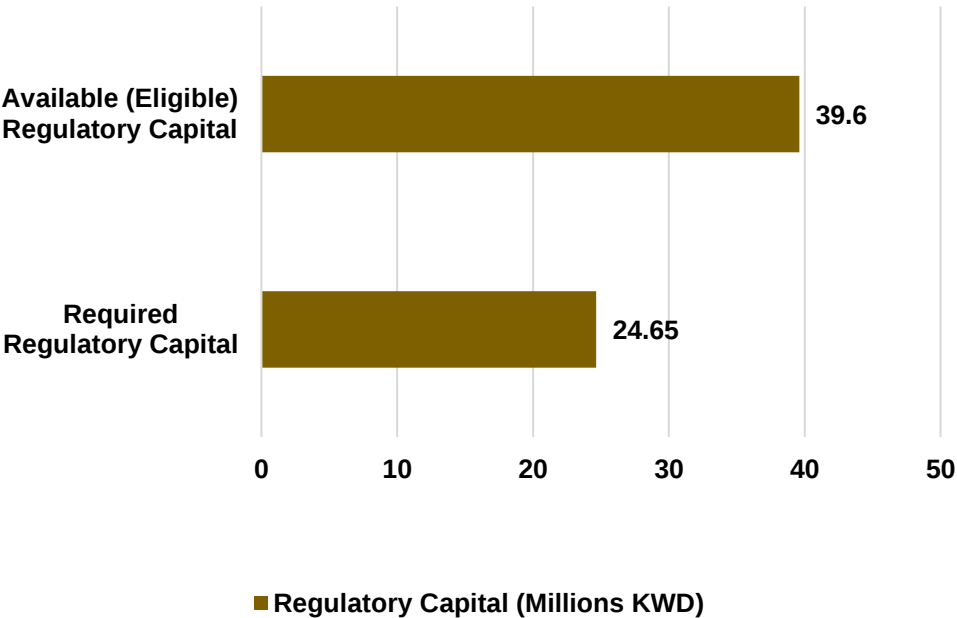
Forward-Looking Assumptions: These forecasts are based on management expectations and macroeconomic assessments, considering possible challenges like market volatility, regulatory changes, or portfolio underperformance.

As a licensed persons CIDCO is required to maintain risk based regulatory capital requirements to hold capital proportionate to the risks faced by them.

As of 31 December 2024, the available (eligible) regulatory capital of CIDCO is KD 39.60 Millions in excess of the required regulatory capital of KD 24.65 Millions which led to a capital adequacy ratio of 161%.

It is clear that CIDCO's has adequate regulatory capital to meet its statutory requirement. Moreover, CIDCO has substantial regulatory capital buffer to safeguard any possible increase in required regulatory capital.

Regulatory Capital (Millions KWD)



Connect with our Registered Persons

In accordance with the Capital Market Authority Law 72 of the Year 2015, we registered the following persons:

Mr. Asaad Al-Banwan
Chief Executive Officer

asaad.albanwan@coast.com.kw

Mr. Christy Kulathooran
SVP – Support Group

christy.kulathooran@coast.com.kw

Ms. Geethu Rebecca
Internal Audit Officer

geethu.jacob@coast.com.kw

Mr. Jassem Al-Zaid
SVP – Asset Management

Jassem.alzaid@coast.com.kw

Mr. Fares H. Madi
SVP – Compliance & Legal Affairs
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Risk Officer



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