

**THE ENERGY HOUSE HOLDING COMPANY
K.S.C.P. AND ITS SUBSIDIARIES**

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

30 SEPTEMBER 2021



Ernst & Young
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF THE ENERGY HOUSE HOLDING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Energy House Holding Company K.S.C.P. (“the Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2021, and the related interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine-month period then ended. Management 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 condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, during the nine-month period ended 30 September 2021 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2021 that might have had a material effect on the business of the Parent Company or on its financial position.

ABDULKARIM ALSAMDAN
LICENCE NO. 208 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

10 November 2021
Kuwait

The Energy House Holding Company K.S.C.P. and its Subsidiaries
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)**
As at 30 September 2021

		<i>(Audited)</i>	
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS			
Non-current assets			
Property and equipment	9,414	1,518,503	3,195,983
Right-of-use assets	289,950	437,236	458,718
Investment property	-	2,365,399	2,408,069
Investment in associate	-	200,333	332,547
Financial assets at fair value through other comprehensive income	-	156,175	159,014
Financial assets at fair value through profit or loss	2,937,557	2,655,117	2,485,287
	<u>3,236,921</u>	<u>7,332,763</u>	<u>9,039,618</u>
Current assets			
Inventories	-	121,395	2,538,744
Trade and other receivables	1,434,677	3,451,543	3,568,899
Cash and cash equivalents	4 15,430,689	17,136,317	17,373,268
	<u>16,865,366</u>	<u>20,709,255</u>	<u>23,480,911</u>
Assets held for sale	3 6,879,050	-	-
	<u>23,744,416</u>	<u>20,709,255</u>	<u>23,480,911</u>
TOTAL ASSETS	<u>26,981,337</u>	<u>28,042,018</u>	<u>32,520,529</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	75,000,000	75,000,000	75,000,000
Share premium	193,550	193,550	193,550
Statutory reserve	472,723	472,723	472,723
Voluntary reserve	314,957	314,957	314,957
Other reserves	(700,997)	(700,997)	(700,997)
Foreign currency translation reserve	657,633	(8,385,121)	(8,549,110)
Fair value reserve	-	160,473	160,739
Accumulated losses	(43,098,480)	(45,926,178)	(42,899,189)
Reserves of a disposal group held for sale	3 (12,361,152)	-	-
	<u>20,478,234</u>	<u>21,129,407</u>	<u>23,992,673</u>
Equity attributable to equity holders of the Parent Company	20,478,234	21,129,407	23,992,673
Non-controlling interests	1,530,512	1,905,646	3,614,921
	<u>22,008,746</u>	<u>23,035,053</u>	<u>27,607,594</u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits	68,700	104,959	105,501
Lease liabilities	230,166	240,974	240,950
	<u>298,866</u>	<u>345,933</u>	<u>346,451</u>
Current liabilities			
Trade and other payables	2,569,405	4,623,535	4,497,359
Murabaha payables	-	13,629	36,571
Lease liabilities	7,093	23,868	32,554
	<u>2,576,498</u>	<u>4,661,032</u>	<u>4,566,484</u>
Liabilities directly associated with the assets held for sale	3 2,097,227	-	-
	<u>4,673,725</u>	<u>4,661,032</u>	<u>4,566,484</u>
Total liabilities	<u>4,972,591</u>	<u>5,006,965</u>	<u>4,912,935</u>
TOTAL EQUITY AND LIABILITIES	<u>26,981,337</u>	<u>28,042,018</u>	<u>32,520,529</u>

Abdulrazzaq Ahmad Alronai
Chairman

Jihad A. Al-Qahtani
Chief Executive Officer

The attached notes from 1 to 11 form an integral part of this interim condensed consolidated financial information.

The Energy House Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021	2020	2021	2020
		KD	KD	KD	KD
CONTINUING OPERATIONS					
Services revenue		279,839	149,617	848,782	1,093,863
Services costs		(373,785)	(117,600)	(693,263)	(1,205,151)
GROSS (LOSS) PROFIT		(93,946)	32,017	155,519	(111,288)
Other income		2,100	46,910	6,300	653,693
Finance income		60,199	58,099	194,321	246,246
Unrealised (loss) gain on financial assets at fair value through profit or loss		(14,393)	135,872	294,976	(949,906)
Allowance for expected credit losses of trade Receivables		-	(32,976)	-	(1,195,528)
Provision for slow moving inventory		-	24	-	(296,150)
Staff costs		(46,441)	(56,634)	(171,077)	(304,861)
General and administrative expenses		(133,505)	(150,877)	(409,304)	(639,571)
Finance costs		(4,474)	(5,864)	(16,306)	(22,042)
Net foreign exchange differences		6,518	(16,073)	(18,665)	26,757
(LOSS) PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS BEFORE TAX		(223,942)	10,498	35,764	(2,592,650)
Taxation on foreign operations		2	(1,151)	(3,035)	7,527
National Labour Support Tax (NLST)		6,191	(37,580)	(72,586)	(57,391)
Zakat		2,476	(15,033)	(29,035)	(22,957)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(215,273)	(43,266)	(68,892)	(2,665,471)
DISCONTINUED OPERATIONS					
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	3	133,157	(530,805)	4,200,448	1,998,629
(LOSS) PROFIT FOR THE PERIOD		(82,116)	(574,071)	4,131,556	(666,842)
Attributable to:					
Equity holders of the Parent Company		(116,584)	(379,432)	2,635,458	(1,261,842)
Non-controlling interests		34,468	(194,639)	1,496,098	595,000
		(82,116)	(574,071)	4,131,556	(666,842)
BASIC AND DILUTED (LOSS) EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY					
	6	(0.16) Fils	(0.51) Fils	3.51 Fils	(1.68) Fils

The attached notes from 1 to 11 form an integral part of this interim condensed consolidated financial information.

The Energy House Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2021

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
(LOSS) PROFIT FOR THE PERIOD	(82,116)	(574,071)	4,131,556	(666,842)
Other comprehensive (loss) income				
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Net exchange differences on translation of foreign operations	469,097	(885,947)	(5,425,496)	(1,316,041)
Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods	469,097	(885,947)	(5,425,496)	(1,316,041)
<i>Other comprehensive (loss) income that will not be reclassified to profit or loss in the subsequent periods (net of tax):</i>				
Net (loss) gain on equity instruments designated at fair value through other comprehensive income	(5,471)	(508)	22,280	32,479
Net other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods	(5,471)	(508)	22,280	32,479
Total other comprehensive income (loss) for the period	463,626	(886,455)	(5,403,216)	(1,283,562)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	381,510	(1,460,526)	(1,271,660)	(1,950,404)
Attributable to:				
Equity holders of the Parent Company	170,174	(952,224)	(843,413)	(2,068,741)
Non-controlling interests	211,336	(508,302)	(428,247)	118,337
	381,510	(1,460,526)	(1,271,660)	(1,950,404)

The attached notes from 1 to 11 form an integral part of this interim condensed consolidated financial information.

The Energy House Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2021

	Attributable to the equity holders of the Parent Company											
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Other reserves KD	Foreign currency translation reserve KD	Fair value reserve KD	Reserves of a disposal group held for sale KD	Accumulated losses KD	Sub-total KD	Non-controlling interests KD	Total equity KD
As at 1 January 2021 <i>(Audited)</i>	75,000,000	193,550	472,723	314,957	(700,997)	(8,385,121)	160,473	-	(45,926,178)	21,129,407	1,905,646	23,035,053
Profit for the period	-	-	-	-	-	-	-	-	2,635,458	2,635,458	1,496,098	4,131,556
Other comprehensive (loss) income for the period	-	-	-	-	-	(3,493,186)	14,315	-	-	(3,478,871)	(1,924,345)	(5,403,216)
Total comprehensive (loss) income for the period	-	-	-	-	-	(3,493,186)	14,315	-	2,635,458	(843,413)	(428,247)	(1,271,666)
Dividends distributed	-	-	-	-	-	-	-	-	-	-	(53,853)	(53,853)
Hyperinflation adjustment	-	-	-	-	-	-	-	-	192,240	192,240	106,966	299,206
Transfer to reserves of a disposal group held for sale	-	-	-	-	-	12,535,940	(174,788)	(12,361,152)	-	-	-	-
As at 30 September 2021	75,000,000	193,550	472,723	314,957	(700,997)	657,633	-	(12,361,152)	(43,098,480)	20,478,234	1,530,512	22,008,746
As at 1 January 2020	75,000,000	193,550	472,723	314,957	(700,997)	(7,721,343)	139,871	-	(43,405,601)	24,293,160	2,873,315	27,166,475
(Loss) profit for the period	-	-	-	-	-	-	-	-	(1,261,842)	(1,261,842)	595,000	(666,842)
Other comprehensive (loss) income for the period	-	-	-	-	-	(827,767)	20,868	-	-	(806,899)	(476,663)	(1,283,562)
Total comprehensive (loss) income for the period	-	-	-	-	-	(827,767)	20,868	-	(1,261,842)	(2,068,741)	118,337	(1,950,404)
Dividends distributed	-	-	-	-	-	-	-	-	-	-	(360,623)	(360,623)
Hyperinflation adjustment	-	-	-	-	-	-	-	-	1,768,254	1,768,254	983,892	2,752,146
As at 30 September 2020	75,000,000	193,550	472,723	314,957	(700,997)	(8,549,110)	160,739	-	(42,899,189)	23,992,673	3,614,921	27,607,594

The attached notes from I to II form an integral part of this interim condensed consolidated financial information.

The Energy House Holding Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 September 2021

	Note	Nine months ended 30 September	
		2021 KD	2020 KD
OPERATING ACTIVITIES			
Profit (loss) before tax from continuing operations		35,764	(2,592,650)
Profit before tax from discontinuing operations		6,599,817	2,276,730
<i>Adjustments to reconcile profit (loss) before tax to net cash flows:</i>			
Gain on sale of property and equipment (included in other income)		-	(621,412)
Finance income		(194,321)	(246,246)
Unrealised (gain) loss on financial assets at fair value through profit or loss		(294,976)	949,906
Share of results of associates		-	(126,019)
Allowance for expected credit losses of trade receivables		-	1,195,528
Provision for slow moving inventory		-	440,842
Employees' end of service benefits provided		9,287	28,348
Depreciation of property and equipment		13,711	315,766
Depreciation of right-of-use assets		145,532	84,933
Finance costs		30,664	28,281
Net foreign exchange differences		(3,832,252)	(1,787,742)
Monetary loss (gain) from hyperinflation		475,406	(745,705)
		<u>2,988,632</u>	<u>(799,440)</u>
<i>Working capital changes:</i>			
Inventories		97,751	(835,279)
Trade and other receivables		2,217,699	2,486,543
Trade and other payables		(2,466,660)	(505,655)
Cash flows from operations		<u>2,837,422</u>	<u>346,169</u>
Employees' end of service benefits paid		(45,436)	(44,176)
NLST paid		-	(48,276)
Zakat paid		-	(19,313)
Net cash flows from operating activities		<u>2,791,986</u>	<u>234,404</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(24,456)	(19,410)
Proceeds from sale of property and equipment		-	264,822
Finance income received		249,400	450,637
Net movement in restricted bank balances and deposits		(2,275)	21,062
Net cash flows from investing activities		<u>222,669</u>	<u>717,111</u>
FINANCING ACTIVITIES			
Finance costs paid		(14,358)	(6,239)
Proceeds from murabaha payables		34,994	38,367
Repayment of murabaha payables		(16,583)	(24,654)
Payment of lease liabilities		(35,719)	(118,489)
Dividend paid to NCI		(53,853)	-
Net cash flows used in financing activities		<u>(85,519)</u>	<u>(111,015)</u>
Effect of foreign currency translation and hyperinflation adjustments		<u>(4,098,882)</u>	<u>928,565</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>(1,169,746)</u>	<u>1,769,065</u>
Cash and cash equivalents as at 1 January		17,131,475	15,597,810
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	4	<u>15,961,729</u>	<u>17,366,875</u>

The attached notes from 1 to 11 form an integral part of this interim condensed consolidated financial information.

The Energy House Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of The Energy House Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the nine months ended 30 September 2021 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 10 November 2021.

The consolidated financial statements of the Group for the year ended 31 December 2020 were approved in the annual general assembly meeting (AGM) of the shareholders of the Parent Company held on 4 May 2021. No dividends were declared for the year ended 31 December 2020.

The Energy House Holding Company K.S.C.P. (the "Parent Company") is a Kuwaiti shareholding company registered and incorporated in the State of Kuwait under commercial registration no. 68770 dated 30 July 1996. The Company's shares were listed on Boursa Kuwait on 23 May 2005.

The Parent Company's head office is located at Al-Enmaa Tower, Mirqab, 14th floor, Kuwait City and its registered postal address is P.O. Box 21909, Safat 13080, State of Kuwait.

The Parent Company's principal activities are, as follows:

- ▶ Ownership of shares of Kuwaiti or foreign shareholding companies or companies with limited liability, or establishing, managing, lending and sponsoring such companies;
- ▶ Financing and sponsoring entities in which the Company has an ownership interest of not less than 20%;
- ▶ Owning industrial rights such as patents, industrial trademarks, sponsoring foreign companies or any other related industrial rights and leasing such as rights for the benefit of the Company inside or outside the State of Kuwait;
- ▶ Owning portables and real-estates to promote its activities in permissible limits according to the law; and
- ▶ Utilising available financial surplus of the Company by investing them in portfolios managed by specialized companies.

The Group carries out its activities in accordance with Islamic Shari'a principles as approved by the Group's Fatwa and Shari'a Supervisory Board.

The Parent Company is a subsidiary of Development Enterprise Holding Company K.S.C. (Closed) ("DEH") (the "Intermediary Parent Company"), a subsidiary of Kuwait Finance House K.S.C.P. (the "Ultimate Parent Company").

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

2.1. Basis of preparation

The interim condensed consolidated financial information for the nine months ended 30 September 2021 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast 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 do 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.

2.2 Summary of accounting policies for new transactions and events

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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

2.2 Summary of accounting policies for new transactions and events (continued)

Non-current assets held for sale and discontinued operations (continued)

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property and equipment and right of use assets are not depreciated and amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the interim condensed consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- ▶ Represents a separate major line of business or geographical area of operations;
- ▶ Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- ▶ Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the interim condensed consolidated statement of profit or loss.

2.3 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 accounting policies for new transactions and events described above and 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 and interpretations 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 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.

The Energy House Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

3 DISCONTINUED OPERATIONS

On 30 September 2021, the Group publicly announced that the Parent Company had signed a sale and purchase agreement (SPA) to sell its entire equity interest of 64.25% in its subsidiary, Higeig Petroleum Services and Investment Company Ltd. The sale of subsidiary is expected to be completed within a year from the reporting date.

Accordingly, the subsidiary is classified as a discontinued operation and the associated assets and liabilities of the subsidiary are consequently presented as a disposal group held for sale in the current period interim condensed consolidated financial information.

The results of the subsidiary for the period are presented as below:

	<i>Nine months ended 30 September 2021 KD</i>
Contract revenue	5,057,365
Contract costs	(1,324,804)
	<hr/>
	3,732,561
Other income	2,435
General and administration expenses	(180,519)
Staff costs	(315,813)
Finance costs	(14,358)
Net foreign exchange differences	3,850,917
Monetary loss from hyperinflation**	(475,406)
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PROFIT FOR THE PERIOD BEFORE TAX FROM DISCONTINUED OPERATIONS	6,599,817
Taxation on foreign operations	(2,399,369)
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PROFIT FOR THE PERIOD AFTER TAX FROM DISCONTINUED OPERATIONS	4,200,448
	<hr/> <hr/>
Attributable to:	
Equity holders of the Parent Company	2,698,788
Non-controlling interests	1,501,660
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	4,200,448

The Energy House Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

3 DISCONTINUED OPERATIONS (continued)

The major classes of assets and liabilities of the subsidiary classified as held for sale as at 30 September 2021 are as follows:

	<i>30 September 2021 KD</i>
Assets	
Property and equipment	315,194
Investment property	2,358,720
Investment in associates	25,497
Financial assets available for sale	29,105
Inventories	23,644
Trade and other receivables (net of an allowance for ECL of KD 1,291,350)	3,588,733
Cash and cash equivalents (including restricted bank balance of KD 3,009)	538,157
Assets held for sale	6,879,050
Liabilities	
Trade and other payables	2,093,072
Murabaha payables	4,155
Liabilities directly associated with assets held for sale	2,097,227
Net assets directly associated with assets held for sale	4,781,823
Amounts included in equity:	
Foreign currency translation reserve	(12,535,940)
Fair value reserve of equity instruments designated as FVOCI	174,788
Reserves of disposal group held for sale	(12,361,152)

The presentation requirements for disposal groups classified as held for sale at the end of the reporting period do not apply retrospectively. The comparative interim condensed consolidated statement of financial position for any previous periods are therefore not re-presented.

The net cashflows incurred by the subsidiary classified as held for sale are as follows:

	<i>30 September 2021 KD</i>
Operating	(873,079)
Investing	(1,866)
Financing	(10,865)
Net cash outflow	(885,810)

**The subsidiary classified as disposal group held for sale operates in the hyperinflationary economy of Sudan.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the statement of financial position date and that corresponding figures for previous periods be stated in the same terms to the latest statement of financial position date. This has been applied in Hagleig, a subsidiary, and the restatement has been calculated by means of conversion factors derived from the Consumer Price Index (CPI) provided by the Central Bank of Sudan (CBOS) or International Monetary Fund (IMF). The conversion factors used to restate the financial statements of the subsidiary are, as follows:

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3 DISCONTINUED OPERATIONS (continued)

	Index	Conversion Factor
30 September 2021	18,973.514	1.423
30 June 2021	18,973.514	1.958
31 March 2021	8,638.700	1.562
31 December 2020	6,745.800	1.706
31 December 2019	2,159.900	1.103
31 December 2018	1,415.705	1.224
31 December 2017	832.926	1.106
31 December 2016	617.400	1.101
31 December 2015	521.800	1.081
31 December 2014	428.300	1.151
31 December 2013	314.826	1.198
31 December 2012	262.793	1.444
31 December 2011	181.944	1.189
31 December 2010	153.043	1.000

The above-mentioned restatement has been accounted for as follows:

- i. Financial statements prepared in the currency of a hyperinflationary economy are stated after applying the measuring unit current at the statement of financial position date and corresponding figures for the previous period are stated on the same basis. Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date. Monetary items are money held and items to be recovered or paid in money;
- ii. Non-monetary assets and liabilities that are not carried at amounts current at the statement of financial position date and components of shareholders' equity are restated by applying the relevant conversion factors;
- iii. Comparative financial statements are restated using general inflation indices in terms of the measuring unit current at the statement of financial position date. Investment property and financial assets held through other comprehensive income are indexed based on recent fair valuations. The resulting adjustments are taken directly to the interim condensed consolidated statement of changes in equity;
- iv. All items in the income statement are restated by applying the relevant quarterly average or year-end conversion factors; and
- v. The effect on the net monetary position of the Group is included in the interim condensed consolidated statement of income as a monetary gain or loss from hyperinflation.

The application of the IAS 29 restatement procedures has the effect of amending certain accounting policies at the subsidiary's level which are used in the preparation of the financial statements under the historical cost convention.

The hyperinflation adjustment of KD 299,206 (31 December 2020: KD (979,689) and 30 September 2020: KD 2,752,146) in the books of Hagleig, up to 30 September 2021, has been adjusted directly in the interim condensed consolidated statement of changes in equity.

The movement in assets and liabilities held for sale due to hyperinflation is, as follows:

	<i>30 September</i> <i>2021</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2020</i> <i>KD</i>	<i>30 September</i> <i>2020</i> <i>KD</i>
Property and equipment	313,290	(134,409)	1,609,004
Investment in associate	-	(6,679)	44,851
Inventories	-	-	755,097
Other impact on profit or loss and OCI	(489,490)	(309,325)	1,088,899
	<u>(176,200)</u>	<u>(450,413)</u>	<u>3,497,851</u>

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3 DISCONTINUED OPERATIONS (continued)

Statement of changes in equity:

	<i>30 September 2021 KD</i>	<i>(Audited) 31 December 2020 KD</i>	<i>30 September 2020 KD</i>
Attributable to:			
Equity holders of the Company	192,240	(629,450)	1,768,254
Non-controlling interests	106,966	(350,239)	983,892
	<u>299,206</u>	<u>(979,689)</u>	<u>2,752,146</u>

Statement of profit or loss:

	<i>30 September 2021 KD</i>	<i>(Audited) 31 December 2020 KD</i>	<i>30 September 2020 KD</i>
Equity holders of the Company	(305,448)	340,060	479,115
Non-controlling interests	(169,958)	189,216	266,590
	<u>(475,406)</u>	<u>529,276</u>	<u>745,705</u>
Total impact of hyperinflation	<u>(176,200)</u>	<u>(450,413)</u>	<u>3,497,851</u>

4 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<i>30 September 2021 KD</i>	<i>(Audited) 31 December 2020 KD</i>	<i>30 September 2020 KD</i>
Bank balances and cash	930,689	1,878,067	2,107,268
Wakala deposits	14,500,000	15,258,250	15,266,000
Cash and cash equivalents in the interim condensed consolidated statement of financial position	<u>15,430,689</u>	<u>17,136,317</u>	<u>17,373,268</u>
Bank balances and cash attributable to discontinued operations (Note 3)	535,148	-	-
Restricted bank balances	(4,108)	(4,842)	(6,393)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	<u>15,961,729</u>	<u>17,131,475</u>	<u>17,366,875</u>

Restricted bank balances of KD 4,108 (31 December 2020: KD 4,842 and 30 September 2020: KD 6,393) represent margin deposits secured against bank facilities and are not available for day-to-day use by the Group.

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5 RELATED PARTY DISCLOSURES

Related parties represent the major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management.

The following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2021 and 2020, as well as balances with related parties as at 30 September 2021, 31 December 2020 and 30 September 2020:

	<i>Ultimate Parent Company</i> <i>KD</i>	<i>Intermediary Parent Company</i> <i>KD</i>	<i>Other related parties</i> <i>KD</i>	<i>(Audited)</i>			
				<i>30 September 2021</i> <i>KD</i>	<i>31 December 2020</i> <i>KD</i>	<i>30 September 2020</i> <i>KD</i>	
<i>Interim condensed consolidated statement of financial position</i>							
Trade and other receivables	-	503,956	-	503,956	171,847	114,075	
Cash and cash equivalents	795,792	-	-	795,792	829,357	918,759	
Trade and other payables	-	-	-	-	2,267	576	
				<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</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>Interim condensed consolidated statement of profit or loss:</i>							
Finance income ("Ultimate Parent Company")			76	1,643	2,527	10,164	

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>30 September</i>		<i>Nine months ended</i> <i>30 September</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>
Salaries and short-term benefits	31,090	50,778	108,460	187,639
Termination benefits	1,703	1,780	5,109	6,777
	<u>32,793</u>	<u>52,558</u>	<u>113,569</u>	<u>194,416</u>

The Board of Directors at the meeting held on 24 March 2021 did not propose any directors' remuneration (except for a remuneration of KD 5,000 to the independent board member) for the year ended 31 December 2020. This proposal was approved by the shareholders at the AGM held on 4 May 2021.

6 (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share amounts are calculated by dividing the (loss) profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted (loss) earnings per share is calculated by dividing the (loss) profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted (loss) earnings per share are identical.

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6 (LOSS) EARNINGS PER SHARE (continued)

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
(Loss) profit for the period attributable to equity holders of the Company (KD)	<u>(116,584)</u>	<u>(379,432)</u>	<u>2,635,458</u>	<u>(1,261,842)</u>
Weighted average number of outstanding shares	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>
Basic and diluted (loss) earnings per share (Fils)	<u>(0.16)</u>	<u>(0.51)</u>	<u>3.51</u>	<u>(1.68)</u>

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 the (loss) earnings per share.

7 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 30 September 2021, 31 December 2020 and 30 September 2020:

	<i>Fair value measurement using</i>			<i>Total</i> <i>KD</i>
	<i>Quoted prices</i> <i>in active</i> <i>markets</i> <i>(Level 1)</i> <i>KD</i>	<i>Significant</i> <i>observable inputs</i> <i>(Level 2)</i> <i>KD</i>	<i>Significant</i> <i>unobservable</i> <i>inputs</i> <i>(Level 3)</i> <i>KD</i>	
<i>30 September 2021</i>				
<i>Financial assets at FVPL</i>				
- Open-ended fund	-	268,509	-	268,509
- Private equity fund	-	-	2,669,048	2,669,048
Investment securities (at fair value)	<u>-</u>	<u>268,509</u>	<u>2,669,048</u>	<u>2,937,557</u>

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7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

	<i>Fair value measurement using</i>			<i>Total KD</i>
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	
<i>31 December 2020 (Audited)</i>				
<i>Financial assets at FVOCI</i>				
- Equity securities	156,175	-	-	156,175
<i>Financial assets at FVPL</i>				
- Open-ended fund	-	265,998	-	265,998
- Private equity fund	-	-	2,389,119	2,389,119
	-	265,998	2,389,119	2,655,117
Investment securities (at fair value)	156,175	265,998	2,389,119	2,811,292
<i>30 September 2020</i>				
<i>Financial assets at FVOCI</i>				
- Equity securities	159,014	-	-	159,014
<i>Financial assets at FVPL</i>				
- Open-ended fund	-	265,088	-	265,088
- Private equity fund	-	-	2,220,199	2,220,199
	-	265,088	2,220,199	2,485,287
Investment securities (at fair value)	159,014	265,088	2,220,199	2,644,301

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

	<i>Unquoted private equity fund (Audited)</i>		
	<i>30 September 2021 KD</i>	<i>31 December 2020 KD</i>	<i>30 September 2020 KD</i>
As at 1 January	2,389,119	3,139,284	3,139,284
Remeasurement recognised in profit or loss	292,465	(756,482)	(953,497)
Purchases/(sales), net	-	(2,055)	-
Foreign currency translation adjustment	(12,536)	8,372	34,412
At the end of the period/ year	2,669,048	2,389,119	2,220,199

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.

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7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

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 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.

8 CAPITAL COMMITMENTS

	<i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	
	<i>2021</i>	<i>2020</i>	
	<i>KD</i>	<i>KD</i>	
	<i>30 September</i>	<i>2020</i>	
	<i>KD</i>	<i>KD</i>	
Uncalled capital commitment – (private equity fund)	<u>431,603</u>	<u>433,892</u>	<u>438,327</u>

9 LEGAL DISPUTE

A subsidiary of the Group was on an ongoing dispute with their joint operations partner for breach of the terms and conditions of the profit-sharing agreement. Further, the joint operations partner had also filed a notice of breach against the subsidiary relating to the ownership of the equipment involved in the joint operations. These cases were under arbitration with the London Court of International Arbitration (LCIA).

During the period, on 1 September 2021, the LCIA issued a final verdict whereby it ordered the joint operations partner to pay the subsidiary an amount of USD 1,004,418 along with simple interest at the rate of 2.24% p.a. from the date of the verdict. Further, it ordered the subsidiary to pay USD 188,336 along with simple interest at the rate of 2.24% p.a. to the joint operations partner and also confirmed that the ownership of the equipment involved in the joint operations resides with the joint operations partner. The Group in consultation with its legal counsel is currently considering various options of final settlement with the joint operations partner, based on the above verdict issued by the LCIA.

10 SEGMENT INFORMATION

i) Primary segment information:

For management purposes, the Group is organised into two operating segments based on business units as follows:

- Energy** : Exploration, drilling, development and production of oil and gas, alternate and renewable sources of energy, licensing and other activities related to the energy sector; and
- Others** : Investment and other related services.

The business of the subsidiary, Higleig Petroleum Services and Investment Company Ltd. represented the Group's 'Contracting' operating segment. With Higleig, being classified as discontinued operations, the 'Contracting' segment is no longer presented in the segment note.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

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10 SEGMENT INFORMATION

i) Primary segment information:

The following table present revenue and results information of the Group's operating segments for the nine months period ended 30 September 2021 and 30 September 2020, respectively:

	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
30 September 2021			
Segment income	848,782	-	848,782
Segment results	(284,414)	215,522	(68,892)
Other disclosures:			
Finance costs	(15,819)	(487)	(16,306)
Unrealised gain on financial assets at FVPL	2,511	292,465	294,976
30 September 2020			
Segment income	1,093,863	-	1,093,863
Segment results	(1,633,064)	(1,032,407)	(2,665,471)
Other disclosures:			
Finance costs	(20,434)	(1,608)	(22,042)
Unrealised loss on financial assets at FVPL	3,590	(953,496)	(949,906)

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2021, 31 December 2020 and 30 September 2020, respectively:

	<i>Energy KD</i>	<i>Others KD</i>	<i>Adjustments related to disposal group KD</i>	<i>Total KD</i>
As at 30 September 2021				
Segment assets	14,187,676	2,677,690	-	16,865,366
Segment liabilities	2,746,697	128,667	-	2,875,364
As at 31 December 2020 (Audited)				
Segment assets	17,482,212	2,405,111	8,154,695	28,042,018
Segment liabilities	2,619,147	59,286	2,328,532	5,006,965
As at 30 September 2020				
Segment assets	17,530,085	2,238,823	12,751,621	32,520,529
Segment liabilities	2,731,908	40,648	2,140,379	4,912,935

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10 SEGMENT INFORMATION (continued)

ii) Secondary segment information:

For management purposes, the Group is divided into three main geographical segments that are: a) State of Kuwait, b) Middle East and North Africa (MENA) and c) outside MENA, where the Group performs its main activities in the energy sector and contracting.

	30 September 2021				30 September 2020			
	Kuwait KD	MENA KD	Outside MENA KD	Total KD	Kuwait KD	MENA KD	Outside MENA KD	Total KD
Segment income	-	848,782	-	848,782	-	1,093,863	-	1,093,863
Segment results	(210,656)	(73,758)	215,522	(68,892)	1,189,376	(2,822,440)	(1,032,407)	(2,665,471)

11 IMPACT OF COVID-19 OUTBREAK

During March 2020, the World Health Organisation (“WHO”) declared the Coronavirus (“COVID-19”) outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the State of Kuwait. Governments across the globe have taken steps to contain the spread of the virus, which included closure of borders, released social distancing guidelines and enforced country-wide lockdowns and curfews.

The COVID-19 outbreak and resulting government measures have led to macroeconomic uncertainty causing disruption to economic activity, and it is unknown what the longer-term impact on the Group’s business may be. In preparing the interim condensed consolidated financial information, the Group has based its assumptions and estimates on parameters available when these interim condensed consolidated financial information is prepared.

Accordingly, the Group continued to develop assumptions, development scenarios, impacts and developments as part of the operational results and cash flows for future reporting periods that may have a substantial impact and material adjustments on the consolidated financial information. The main assumptions are as follows:

Impairment of non-financial assets

The Group has considered any impairment indicators or any significant uncertainties impacting its inventories, property and equipment and right-of-use assets especially arising from any change in lease terms and taken necessary adjustments in the reported figures of these assets in the interim condensed consolidated financial information.

Going concern assessment

Looking at the current scenario of evolution of new variants of corona virus and increased infections all over the world, there is still significant uncertainty over how the outbreak will impact the Group’s business in future periods. Management has therefore modelled a number of different scenarios considering a period of 12 months from the date of last audited consolidated financial statements in the light of current economic conditions and all available information about future risks and uncertainties. The assumptions modelled are based on the estimated potential impact of COVID-19 restrictions and regulations and expected levels of consumer demand, along with management’s proposed responses over the course of the period. The impact of COVID-19 may continue to evolve, but based on the Group’s liquidity position and financial resources as at the date of authorisation of these interim condensed consolidated financial information, the projections show that the Group has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2020. As a result, this interim condensed consolidated financial information have been prepared on a going concern basis.