

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

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

**30 SEPTEMBER 2023**



## **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 2023, 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 related interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cashflows 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.

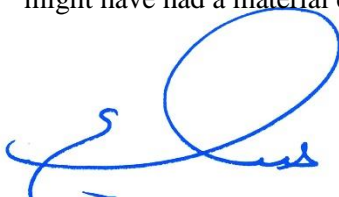
### ***Conclusion***

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, as amended, during the nine-month period ended 30 September 2023 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 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



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

The Energy House Holding Company K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (UNAUDITED)**  
As at 30 September 2023

		30 September 2023 KD	(Audited) 31 December 2022 KD	30 September 2022 KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment		133	836	2,036
Right-of-use assets		19,564	259,252	260,116
Financial assets at fair value through profit or loss	4	2,641,852	3,054,430	2,843,729
		<u>2,661,549</u>	<u>3,314,518</u>	<u>3,105,881</u>
<b>Current assets</b>				
Trade and other receivables		290,483	3,278,055	3,578,781
Cash and cash equivalents	5	3,242,956	17,066,169	16,878,296
		<u>3,533,439</u>	<u>20,344,224</u>	<u>20,457,077</u>
<b>TOTAL ASSETS</b>		<u><u>6,194,988</u></u>	<u><u>23,658,742</u></u>	<u><u>23,562,958</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6	4,533,293	4,533,293	75,000,000
Share premium	6	-	-	193,550
Statutory reserve	6	-	-	472,723
Voluntary reserve	6	-	-	314,957
Other reserves		(700,997)	(700,997)	(700,997)
Foreign currency translation reserve		581,409	687,567	927,185
Retained earnings (accumulated losses)		81,298	145,018	(55,584,372)
<b>Equity attributable to equity holders of the Parent Company</b>		<u>4,495,003</u>	<u>4,664,881</u>	<u>20,623,046</u>
Non-controlling interests		(157,482)	(196,991)	(189,996)
<b>Total equity</b>		<u>4,337,521</u>	<u>4,467,890</u>	<u>20,433,050</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		77,483	84,443	78,954
Lease liabilities		18,905	251,640	275,148
		<u>96,388</u>	<u>336,083</u>	<u>354,102</u>
<b>Current liabilities</b>				
Trade and other payables		1,668,525	2,808,104	2,748,166
Distributions payable	6	90,604	16,000,000	-
Lease liabilities		1,950	46,665	27,640
		<u>1,761,079</u>	<u>18,854,769</u>	<u>2,775,806</u>
<b>Total liabilities</b>		<u>1,857,467</u>	<u>19,190,852</u>	<u>3,129,908</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,194,988</u></u>	<u><u>23,658,742</u></u>	<u><u>23,562,958</u></u>

  
Abdulrazzaq Ahmad Alroomi  
Chairman

  
Hamad A. Al-Qahtani  
Chief Executive Officer

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 2023

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>CONTINUING OPERATIONS</b>					
Services revenue		<b>109</b>	11,122	<b>304</b>	326,852
Services costs		<b>(10,234)</b>	(152,440)	<b>(108,519)</b>	(544,851)
<b>GROSS LOSS</b>		<b>(10,125)</b>	(141,318)	<b>(108,215)</b>	(217,999)
Other income	8	<b>534,700</b>	2,100	<b>895,550</b>	6,300
Profit from wakala deposits and other assets		<b>28,196</b>	88,079	<b>112,504</b>	228,485
Unrealised loss on financial assets at fair value through profit or loss		<b>(35,133)</b>	(36,884)	<b>(410,185)</b>	(20,978)
Staff costs		<b>(72,025)</b>	(46,506)	<b>(248,772)</b>	(158,359)
General and administrative expenses		<b>(43,502)</b>	(79,704)	<b>(270,598)</b>	(256,759)
Finance costs		<b>(981)</b>	(5,255)	<b>(6,532)</b>	(15,911)
Net foreign exchange differences		<b>18,975</b>	68,562	<b>19,222</b>	138,936
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>420,105</b>	(150,926)	<b>(17,026)</b>	(296,285)
National Labour Support Tax (NLST)		-	-	-	-
Zakat		-	-	-	-
<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>420,105</b>	(150,926)	<b>(17,026)</b>	(296,285)
<b>DISCONTINUED OPERATIONS</b>					
Loss for the period from discontinued operations	3	-	-	-	(10,983,367)
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>420,105</b>	(150,926)	<b>(17,026)</b>	(11,279,652)
<b>Attributable to:</b>					
Equity holders of the Parent Company		<b>382,013</b>	(136,435)	<b>(63,720)</b>	(11,356,134)
Non-controlling interests		<b>38,092</b>	(14,491)	<b>46,694</b>	76,482
		<b>420,105</b>	(150,926)	<b>(17,026)</b>	(11,279,652)
<b>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>					
	9	<b>8.43 fils</b>	(0.66) fils	<b>(1.41) fils</b>	(55.31) fils

The attached notes from 1 to 12 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 2023

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>420,105</b>	<b>(150,926)</b>	<b>(17,026)</b>	<b>(11,279,652)</b>
<b>Other comprehensive income</b>				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Net exchange differences on translation of foreign operations	<b>36,755</b>	46,737	<b>(113,343)</b>	11,975,664
<b>Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods</b>	<b>36,755</b>	46,737	<b>(113,343)</b>	11,975,664
<i>Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods:</i>				
Net gain on equity instruments designated at fair value through other comprehensive income	-	-	-	8,921
<b>Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,921</b>
<b>Total other comprehensive income (loss) for the period</b>	<b>36,755</b>	46,737	<b>(113,343)</b>	11,984,585
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>456,860</b>	<b>(104,189)</b>	<b>(130,369)</b>	<b>704,933</b>
<b>Attributable to:</b>				
Equity holders of the Parent Company	<b>414,900</b>	(94,602)	<b>(169,878)</b>	618,013
Non-controlling interests	<b>41,960</b>	(9,587)	<b>39,509</b>	86,920
	<b>456,860</b>	<b>(104,189)</b>	<b>(130,369)</b>	<b>704,933</b>

The attached notes from 1 to 12 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 2023

*Attributable to the equity holders of the Parent Company*

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Other reserves KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Reserves of a disposal group held for sale KD</i>	<i>Retained earnings (Accumulated losses) KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
<b>As at 1 January 2023 (Audited)</b>	<b>4,533,293</b>	-	-	-	<b>(700,997)</b>	<b>687,567</b>	-	<b>145,018</b>	<b>4,664,881</b>	<b>(196,991)</b>	<b>4,467,890</b>
(Loss) profit for the period	-	-	-	-	-	-	-	(63,720)	(63,720)	46,694	(17,026)
Other comprehensive loss for the period	-	-	-	-	-	(106,158)	-	-	(106,158)	(7,185)	(113,343)
Total comprehensive (loss) income for the period	-	-	-	-	-	(106,158)	-	(63,720)	(169,878)	39,509	(130,369)
<b>At 30 September 2023</b>	<b>4,533,293</b>	-	-	-	<b>(700,997)</b>	<b>581,409</b>	-	<b>81,298</b>	<b>4,495,003</b>	<b>(157,482)</b>	<b>4,337,521</b>
As at 1 January 2022 (Audited)	75,000,000	193,550	472,723	314,957	(700,997)	712,484	(11,759,446)	(44,228,238)	20,005,033	1,398,283	21,403,316
(Loss) profit for the period	-	-	-	-	-	-	-	(11,356,134)	(11,356,134)	76,482	(11,279,652)
Other comprehensive income for the period	-	-	-	-	-	214,701	11,759,446	-	11,974,147	10,438	11,984,585
Total comprehensive income (loss) for the period	-	-	-	-	-	214,701	11,759,446	(11,356,134)	618,013	86,920	704,933
Net movement in non- controlling interests on disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(1,675,199)	(1,675,199)
At 30 September 2022	75,000,000	193,550	472,723	314,957	(700,997)	927,185	-	(55,584,372)	20,623,046	(189,996)	20,433,050

The attached notes from 1 to 12 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 2023

	Notes	Nine months ended 30 September	
		2023 KD	2022 KD
<b>OPERATING ACTIVITIES</b>			
Loss before tax from continuing operations		(17,026)	(296,285)
Loss before tax from discontinuing operations		-	(10,845,146)
<i>Adjustments to reconcile loss before tax to net cash flows:</i>			
Loss on disposal of a subsidiary	3	-	11,270,406
Profit from term deposits and other assets		(112,504)	(228,485)
Unrealised loss on financial assets at fair value through profit or loss		410,185	20,978
Provision for employees' end of service benefits		15,900	69,122
Depreciation of property and equipment		703	6,673
Depreciation of right-of-use assets		19,179	34,669
Gain on derecognition of lease liabilities		(33,263)	-
Finance costs		6,532	15,911
Net foreign exchange differences		(19,222)	(862,068)
Monetary loss from hyperinflation	3	-	33,226
		<b>270,484</b>	<b>(780,999)</b>
<i>Working capital changes:</i>			
Inventories		-	(61,678)
Trade and other receivables		2,994,936	(1,322,949)
Trade and other payables		(1,139,579)	(48,227)
		<b>2,125,841</b>	<b>(2,213,853)</b>
Cash flows from (used in) operations		(20,658)	-
Employees' end of service benefits paid		-	(16,151)
NLST paid		-	(6,408)
Zakat paid		-	-
		<b>2,105,183</b>	<b>(2,236,412)</b>
<b>Net cash flows from (used in) operating activities</b>			
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of a subsidiary		-	3,489,896
Profit received from wakala deposits and other assets		124,362	126,762
Net movement in restricted bank balances and deposits		(37)	(113)
		<b>124,325</b>	<b>3,616,545</b>
<b>Net cash flows from investing activities</b>			
<b>FINANCING ACTIVITIES</b>			
Distributions paid to equity holders on reduction of share capital	6	(15,909,396)	-
Payment of lease liabilities		(17,550)	(17,550)
		<b>(15,926,946)</b>	<b>(17,550)</b>
<b>Net cash flows used in financing activities</b>			
Effect of foreign currency translation and hyperinflation adjustments		(125,812)	124,955
		<b>(13,823,250)</b>	<b>1,487,538</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at 1 January	5	17,061,999	16,401,537
Cash and cash equivalents related to disposal of subsidiary		-	(1,015,011)
		<b>3,238,749</b>	<b>16,874,064</b>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>			
<b>Non-cash items excluded from the interim condensed consolidated statement of cash flows:</b>			
Derecognition to right-of-use assets		240,073	-
Derecognition to lease liabilities		(273,336)	-

The attached notes from 1 to 12 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 2023

### 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 2023 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 8 November 2023.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved in the annual general assembly meeting (AGM) of the shareholders of the Parent Company held on 25 May 2023. No dividends were declared for the year ended 31 December 2022.

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 shareholders of the Parent Company at ordinary general assembly meeting held on 15 December 2022 approved the resolution for the voluntary delisting of the Parent Company from Boursa Kuwait. However, on 20 April 2023, the Board of Commissioners of the Capital Markets Authority rejected the Parent Company’s request to delist from Boursa Kuwait.

Subsequent to the reporting date, the shareholders of the Parent Company at the ordinary general assembly meeting held on 2 October 2023, approved for the second time, the resolution for the voluntary delisting of the Parent Company from Boursa Kuwait. However, the regulatory approvals from the Capital Markets Authority to proceed with the delisting is still pending as at the date of authorisation of this interim condensed consolidated financial information.

The Parent Company’s head office is located at Al-Enmaa Tower, Mirqab, 14<sup>th</sup> 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;
- ▶ Owing 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 2023 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 is presented in Kuwaiti Dinars (“KD”) which is the functional currency of the Parent Company.



# 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 2023

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

#### 2.1. Basis of preparation (continued)

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 2022.

#### 2.2 New standards, interpretations, and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. 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 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

#### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 *Insurance Contracts*, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 *Insurance Contracts* that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re- insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The amendments had no impact on the Group's interim condensed consolidated financial information.

#### **Definition of Accounting Estimates - Amendments to IAS 8**

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's interim condensed consolidated financial information.

#### **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial information.

#### **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's 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 2023

### 3 DISPOSAL OF A SUBSIDIARY AND 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. for a consideration of USD 11.5 million (KD 3,489,896). The sale of subsidiary was expected to be completed within a year from the date of classification. Accordingly, the subsidiary was classified as a disposal group held for sale and as a discontinued operation.

Further to the SPA, the Parent Company signed a contract with the buyer on 20 April 2022, assigning the subsidiary's shares to the buyer, including all the related rights and benefits associated with these shares, and also removed their representatives from the Board of Directors of Higeig, thereby evidencing loss of control of the subsidiary by the Parent Company. Subsequently, on 21 July 2022, the legal ownership of the shares was transferred to the buyer, after obtaining the necessary regulatory approvals.

The Group received the entire sales consideration from the buyer and recorded a net loss on disposal of the subsidiary amounting to KD 11,270,406 in the interim condensed consolidated statement of profit or loss for the period ended 30 September 2022.

Loss on disposal of subsidiary included in the interim condensed consolidated statement of profit or loss for the period ended 30 September 2022 were as follows:

	<b>KD</b>
Cash consideration received	<b>3,489,896</b>
Less: Carrying amount of net assets disposed	<b>(3,010,677)</b>
Less: Recycling of reserves of a disposal group held for sale	<b>(11,749,625)</b>
<b>Loss on disposal of a subsidiary</b>	<b>(11,270,406)</b>

The results of the subsidiary included in the interim condensed consolidated statement of profit or loss are presented as below:

	<i>Nine months ended</i>	
	<i>30 September</i>	
	<b>2023</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>
Contract revenue	-	1,608,653
Contract costs	-	(1,167,831)
	-	440,822
Other income	-	2,624
General and administration expenses	-	(138,628)
Staff costs	-	(568,997)
Finance costs	-	(467)
Net foreign exchange differences	-	723,132
Monetary loss from hyperinflation**	-	(33,226)
<b>PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS</b>	-	425,260
Taxation on foreign operations	-	(138,221)
<b>PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS</b>	-	287,039
Loss on disposal of the subsidiary	-	(11,270,406)
<b>LOSS FROM DISCONTINUED OPERATIONS</b>	-	(10,983,367)
<b>Attributable to:</b>		
Equity holders of the Parent Company	-	(11,085,983)
Non-controlling interests	-	102,616
	-	(10,983,367)

# 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 2023

### 3 DISPOSAL OF A SUBSIDIARY AND DISCONTINUED OPERATIONS (continued)

	<i>Nine months ended 30 September</i>	
	<u>2023</u>	<u>2022</u>
	<u>KD</u>	<u>KD</u>
<b>BASIC AND DILUTED LOSS PER SHARE FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	-	(53.99) fils

The net cash flows incurred by the subsidiary during the period are, as follows:

	<i>Nine months ended 30 September</i>	
	<u>2023</u>	<u>2022</u>
	<u>KD</u>	<u>KD</u>
Operating	-	(6,421,061)
Investing	-	24,532
Financing	-	13,130
<b>Net cash outflows</b>	<u>-</u>	<u>(6,383,399)</u>

\*\* The subsidiary disposed off during the prior year operated in the hyperinflationary economy of Sudan. IAS 29 'Financial Reporting in Hyperinflationary Economies' 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, upto the date of disposal and the restatement was 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:

	<b>Index</b>	<b>Conversion Factor</b>
30 September 2022	36,131.063	1.553
31 December 2021	18,973.514	1.158
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

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### 4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 September</b>	<i>(Audited)</i> <b>31 December</b>	<b>30 September</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Closed-ended private equity fund	<b>2,358,513</b>	2,779,603	2,571,063
Open-ended fund	<b>283,339</b>	274,827	272,666
	<b><u>2,641,852</u></b>	<u>3,054,430</u>	<u>2,843,729</u>

Fair value hierarchy for determining the fair value of the financial instruments and the valuation techniques are detailed in Note 10.

### 5 CASH AND CASH EQUIVALENTS

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

	<b>30 September</b>	<i>(Audited)</i> <b>31 December</b>	<b>30 September</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Bank balances and cash	<b>329,456</b>	1,751,394	2,378,296
Wakala deposits	<b>2,913,500</b>	15,314,775	14,500,000
<b>Cash and cash equivalents in the interim condensed consolidated statement of financial position</b>	<b>3,242,956</b>	17,066,169	16,878,296
Restricted bank balances	<b>(4,207)</b>	(4,170)	(4,232)
<b>Cash and cash equivalents in the interim condensed consolidated statement of cash flows</b>	<b><u>3,238,749</u></b>	<u>17,061,999</u>	<u>16,874,064</u>

Restricted bank balances of KD 4,207 (31 December 2022: KD 4,170 and 30 September 2022: KD 4,232) represent margin deposits secured against bank facilities and are not available for day-to-day use by the Group.

### 6 SHARE CAPITAL AND RESERVES

During the prior year, the Parent Company has reduced the authorised, issued and paid-up share capital of the Parent Company from KD 75,000,000 (750,000,000 shares of 100 fils each) to KD 4,533,293 (45,332,930 shares of 100 fils each), through the cancellation of 704,667,070 shares of 100 fils each, as below:

- ▶ Cancellation of 160,000,000 shares and distributing the reduction amount of KD 16,000,000 in cash to the shareholders, pro-rated to their shareholding in the Parent Company. As at the reporting date KD 90,604 (31 December 2022: KD 16,000,000) is payable to the shareholders.
- ▶ Offsetting 544,667,070 shares of 100 fils each amounting to KD 54,466,707, along with the statutory reserve of KD 472,723, voluntary reserve of KD 314,957 and share premium of KD 193,550, against accumulated losses of the Group as at 30 September 2022 amounting to KD 55,447,937.

The above transaction was affected after obtaining the approval of the Capital Markets Authority (CMA) on 7 November 2022 and approval of the shareholders of the Parent Company at the extra-ordinary general meeting (EGM) of the Parent Company held on 15 December 2022. The share capital reduction was authenticated in the commercial register on 26 December 2022 under registration number 68770.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 7 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 2023 and 2022, as well as balances with related parties as at 30 September 2023, 31 December 2022 and 30 September 2022:

	<i>Ultimate Parent Company KD</i>	<i>Intermediary Parent Company KD</i>	<i>Other related parties KD</i>	<i>(Audited)</i>			
				<i>30 September 2023 KD</i>	<i>31 December 2022 KD</i>	<i>30 September 2022 KD</i>	
<i>Interim condensed consolidated statement of financial position</i>							
Trade and other receivables	-	-	-	-	2,746,683	2,089,948	
Cash and cash equivalents	<b>680,125</b>	-	-	<b>680,125</b>	2,396,564	2,206,649	
				<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
				<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
				<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<i>Interim condensed consolidated statement of profit or loss:</i>							
Finance income ("Ultimate Parent Company")			<b>2</b>	2,189	<b>1,232</b>	5,057	

#### Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows.

	<i>Transaction values for the three months ended</i>		<i>Transaction values for the nine months ended</i>		<i>Balance outstanding as at</i>		
	<i>30 September 2023 KD</i>	<i>30 September 2022 KD</i>	<i>30 September 2023 KD</i>	<i>30 September 2022 KD</i>	<i>30 September 2023 KD</i>	<i>31 December 2022 KD</i>	<i>30 September 2022 KD</i>
Salaries and other short-term benefits	<b>28,490</b>	28,260	<b>91,240</b>	111,605	-	-	-
Employees end of service benefits	<b>2,823</b>	1,673	<b>7,095</b>	4,652	<b>31,718</b>	24,623	22,927
	<b>31,313</b>	29,933	<b>98,335</b>	116,257	<b>31,718</b>	24,623	22,927

The Board of Directors at the meeting held on 8<sup>th</sup> March 2023 did not propose any directors' remuneration for the year ended 31 December 2022. The proposal was approved by the shareholders at the AGM held on 25 May 2023.

### 8 OTHER INCOME

During the current reporting period, the Group reversed payables to the extent of KD 546,942 related to its joint operations with Energy Exploration and Development Ltd (ENEXD), based on a confirmation received from external lawyers stating that the Group is no longer liable towards the creditors. Further, other income also includes an amount of KD 346,748 with respect to the reversal of payables based on final settlement agreements signed between a subsidiary and their suppliers.

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 9 EARNINGS (LOSS) PER SHARE

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit (loss) for the period attributable to				
- Continuing operations	<b>382,013</b>	(136,435)	<b>(63,720)</b>	(270,151)
- Discontinued operations	-	-	-	(11,085,983)
Profit (loss) for the period attributable to equity holders of the Parent Company (fils)	<b>382,013</b>	(136,435)	<b>(63,720)</b>	(11,356,134)
Weighted average number of outstanding shares*	<b>45,332,930</b>	205,332,930	<b>45,332,930</b>	205,332,930
<b>Basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company (fils)</b>	<b>8.43</b>	(0.66)	<b>(1.41)</b>	(55.31)
<b>Basic and diluted earnings (loss) per share from continuing operations attributable to equity holders of the Parent Company (fils)</b>	<b>8.43</b>	(0.66)	<b>(1.41)</b>	(1.32)

\* *The weighted average number of outstanding shares takes into account the effect of the share capital reduction of 544,667,070 shares from the beginning of the prior period as required by IAS 33 (Note 6).*

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information.

### 10 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 2023, 31 December 2022 and 30 September 2022:

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**10 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (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>	
<b>30 September 2023</b>				
<i>Financial assets at FVTPL</i>				
- Open-ended fund	-	283,339	-	283,339
- Closed ended private equity fund	-	-	2,358,513	2,358,513
	-	283,339	2,358,513	2,641,852
<b>31 December 2022 (Audited)</b>				
<i>Financial assets at FVTPL</i>				
- Open-ended fund	-	274,827	-	274,827
- Closed ended private equity fund	-	-	2,779,603	2,779,603
	-	274,827	2,779,603	3,054,430
<b>30 September 2022</b>				
<i>Financial assets at FVTPL</i>				
- Open-ended fund	-	272,666	-	272,666
- Closed-ended private equity fund	-	-	2,571,063	2,571,063
Investment securities (at fair value)	-	272,666	2,571,063	2,843,729

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

	<i>Unquoted private equity fund</i>		
	<i>30 September 2023 KD</i>	<i>31 December 2022 KD (Audited)</i>	<i>30 September 2022 KD</i>
<b>As at 1 January</b>	<b>2,779,603</b>	2,526,436	2,526,436
Remeasurement recognised in profit or loss	(418,697)	221,284	(24,280)
Foreign currency translation adjustment	(2,393)	31,883	68,907
<b>At the end of the period/ year</b>	<b>2,358,513</b>	2,779,603	2,571,063

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 2022.

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 10 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 not be significant 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.

### 11 CAPITAL COMMITMENTS

	<i>30 September 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 September 2022 KD</i>
Uncalled capital call – (private equity fund)	<u>442,046</u>	<u>438,184</u>	<u>444,621</u>

### 12 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.

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

The following table present revenue and results information of the Group's operating segments for the nine months period ended 30 September 2023 and 30 September 2022, respectively:

	<i>Nine months ended 30 September 2023</i>		
	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
Segment income	<u>304</u>	<u>-</u>	<u>304</u>
Segment results	<u>280,205</u>	<u>(297,231)</u>	<u>(17,026)</u>
<b>Other disclosures:</b>			
Finance costs	(5,105)	(1,427)	(6,532)
Unrealised loss on financial assets at fair value through profit or loss	-	(410,185)	(410,185)



# 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 2023

### 12 SEGMENT INFORMATION (continued)

#### i) Primary segment information (continued)

	<i>Nine months ended 30 September 2022</i>		
	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
Segment income	326,852	-	326,852
Segment results	(494,074)	197,789	(296,285)
<i>Other disclosures:</i>			
Finance costs	(13,427)	(2,484)	(15,911)
Unrealised gain on financial assets at fair value through profit or loss	-	(20,978)	(20,978)

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2023, 31 December 2022 and 30 September 2022 respectively:

	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>As at 30 September 2023</i>			
Segment assets	<b>906,521</b>	<b>5,288,467</b>	<b>6,194,988</b>
Segment liabilities	<b>1,278,621</b>	<b>578,846</b>	<b>1,857,467</b>
<i>As at 31 December 2022 (Audited)</i>			
Segment assets	4,456,989	19,201,753	23,658,742
Segment liabilities	2,602,685	16,588,167	19,190,852
<i>As at 30 September 2022</i>			
Segment assets	3,992,163	19,570,795	23,562,958
Segment liabilities	2,611,969	517,939	3,129,908

#### 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.

	<i>30 September 2023</i>				<i>30 September 2022</i>			
	<i>Kuwait KD</i>	<i>MENA KD</i>	<i>Outside MENA KD</i>	<i>Total KD</i>	<i>Kuwait KD</i>	<i>MENA KD</i>	<i>Outside MENA KD</i>	<i>Total KD</i>
Segment income	-	304	-	304	-	326,852	-	326,852
Segment results	(221,209)	622,863	(418,680)	(17,026)	82,880	(347,651)	(31,514)	(296,285)