

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

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

31 MARCH 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 31 March 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-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.

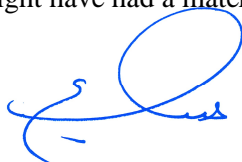
Conclusion

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 three-month period ended 31 March 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 three-month period ended 31 March 2023 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

14 May 2023
Kuwait

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

As at 31 March 2023

	Note	31 March 2023 KD	(Audited) 31 December 2022 KD	31 March 2022 KD
ASSETS				
Non-current assets				
Property and equipment		571	836	5,603
Right-of-use assets		251,359	259,252	277,606
Financial assets at fair value through profit or loss	4	2,687,012	3,054,430	2,794,333
		<u>2,938,942</u>	<u>3,314,518</u>	<u>3,077,542</u>
Current assets				
Trade and other receivables		482,143	3,278,055	2,568,743
Cash and cash equivalents	5	3,738,725	17,066,169	14,792,724
		<u>4,220,868</u>	<u>20,344,224</u>	<u>17,361,467</u>
Assets held for sale		-	-	6,147,086
		<u>4,220,868</u>	<u>20,344,224</u>	<u>23,508,553</u>
TOTAL ASSETS		<u><u>7,159,810</u></u>	<u><u>23,658,742</u></u>	<u><u>26,586,095</u></u>
EQUITY AND LIABILITIES				
Equity				
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		634,843	687,567	788,605
Accumulated losses		(206,170)	145,018	(44,418,257)
Reserves of a disposal group held for sale		-	-	(11,726,122)
Equity attributable to equity holders of the Parent Company		<u>4,260,969</u>	<u>4,664,881</u>	<u>19,924,459</u>
Non-controlling interests		(191,713)	(196,991)	1,324,753
Total equity		<u>4,069,256</u>	<u>4,467,890</u>	<u>21,249,212</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		89,774	84,443	67,838
Lease liabilities		281,265	251,640	270,957
		<u>371,039</u>	<u>336,083</u>	<u>338,795</u>
Current liabilities				
Trade and other payables		2,611,209	2,808,104	3,019,536
Distributions payable		91,803	16,000,000	-
Lease liabilities		16,503	46,665	27,270
		<u>2,719,515</u>	<u>18,854,769</u>	<u>3,046,806</u>
Liabilities directly associated with the assets held for sale		-	-	1,951,282
		<u>2,719,515</u>	<u>18,854,769</u>	<u>4,998,088</u>
Total liabilities		<u>3,090,554</u>	<u>19,190,852</u>	<u>5,336,883</u>
TOTAL EQUITY AND LIABILITIES		<u><u>7,159,810</u></u>	<u><u>23,658,742</u></u>	<u><u>26,586,095</u></u>


Abdulazzaq Ahmad Alroomi
Chairman


Hamad 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 31 March 2023

	Notes	Three months ended 31 March	
		2023 KD	2022 KD
CONTINUING OPERATIONS			
Services revenue		89	249,201
Services costs		(69,707)	(203,356)
GROSS (LOSS) PROFIT		(69,618)	45,845
Other income		289,667	2,100
Profit from term deposits and other assets		53,397	60,103
Unrealised loss on financial assets at fair value through profit or loss		(369,714)	(13,110)
Staff costs		(98,345)	(53,518)
General and administrative expenses		(137,762)	(85,046)
Finance costs		(5,051)	(5,347)
Net foreign exchange differences		(4,349)	13,547
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(341,775)	(35,426)
National Labour Support Tax (NLST)		-	-
Zakat		-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(341,775)	(35,426)
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	3	-	(239,613)
LOSS FOR THE PERIOD		(341,775)	(275,039)
Attributable to:			
Equity holders of the Parent Company		(351,188)	(190,019)
Non-controlling interests		9,413	(85,020)
		(341,775)	(275,039)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
	8	(7.75) fils	(0.93) 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 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	KD	KD
LOSS FOR THE PERIOD	(341,775)	(275,039)
Other comprehensive income (loss)		
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>		
Net exchange differences on translation of foreign operations	(56,859)	113,145
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods	(56,859)	113,145
<i>Other comprehensive (loss) 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	-	7,790
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	-	7,790
Total other comprehensive (loss) income for the period	(56,859)	120,935
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(398,634)	(154,104)
Attributable to:		
Equity holders of the Parent Company	(403,912)	(80,574)
Non-controlling interests	5,278	(73,530)
	(398,634)	(154,104)

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 31 March 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>Fair value reserve KD</i>	<i>Reserves of a disposal group held for sale KD</i>	<i>Accumulated losses KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
As at 1 January 2023												
<i>(Audited)</i>	4,533,293	-	-	-	(700,997)	687,567	-	-	145,018	4,664,881	(196,991)	4,467,890
(Loss) profit for the period	-	-	-	-	-	-	-	-	(351,188)	(351,188)	9,413	(341,775)
Other comprehensive loss for the period	-	-	-	-	-	(52,724)	-	-	-	(52,724)	(4,135)	(56,859)
Total comprehensive (loss) income for the period	-	-	-	-	-	(52,724)	-	-	(351,188)	(403,912)	5,278	(398,634)
At 31 March 2023	4,533,293	-	-	-	(700,997)	634,843	-	-	(206,170)	4,260,969	(191,713)	4,069,256
As at 1 January 2022	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 for the period	-	-	-	-	-	-	-	-	(190,019)	(190,019)	(85,020)	(275,039)
Other comprehensive income for the period	-	-	-	-	-	104,440	5,005	-	-	109,445	11,490	120,935
Total comprehensive income (loss) for the period	-	-	-	-	-	104,440	5,005	-	(190,019)	(80,574)	(73,530)	(154,104)
Transfer to reserves of a disposal group held for sale	-	-	-	-	-	(28,319)	(5,005)	33,324	-	-	-	-
At 31 March 2022	75,000,000	193,550	472,723	314,957	(700,997)	788,605	-	(11,726,122)	(44,418,257)	19,924,459	1,324,753	21,249,212

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 CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2023

	Notes	Three months ended	
		31 March	
		2023	2022
		KD	KD
OPERATING ACTIVITIES			
Loss before tax from continuing operations		(341,775)	(35,426)
Loss before tax from discontinuing operations		-	(353,115)
<i>Adjustments to reconcile (loss) profit before tax to net cash flows:</i>			
Profit from term deposits and other assets		(53,397)	(60,103)
Unrealised loss on financial assets at fair value through profit or loss		369,714	13,110
Employees' end of service benefits provided		6,046	53,254
Depreciation of property and equipment		265	4,363
Depreciation of right-of-use assets		8,111	12,184
Finance costs		5,051	5,349
Net foreign exchange differences		4,349	(89,891)
Monetary loss from hyperinflation	3	-	1,019
		(1,636)	(449,256)
<i>Working capital changes:</i>			
Inventories		-	(28,519)
Trade and other receivables		2,778,022	(327,992)
Trade and other payables		(196,895)	(9,214)
Net cash flows from (used in) operating activities		2,579,491	(814,981)
INVESTING ACTIVITIES			
Purchase of property and equipment		-	(3,930)
Proceeds from sale of property and equipment		-	440
Receipt of profit from term deposits and other assets		66,938	60,637
Net movement in restricted bank balances and deposits		(4)	(19)
Net cash flows from investing activities		66,934	57,128
FINANCING ACTIVITIES			
Distributions paid to equity holders on reduction of share capital		(15,908,197)	-
Payment of lease liabilities		(5,850)	(5,850)
Net cash flows used in financing activities		(15,914,047)	(5,850)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(13,327,448)	(660,395)
Cash and cash equivalents at 1 January	5	17,061,999	16,401,537
Effect of foreign currency translation and hyperinflation adjustments		(59,826)	103,308
CASH AND CASH EQUIVALENTS AT 31 MARCH	5	3,734,551	15,741,142

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 31 March 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 three months ended 31 March 2023 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 14 May 2023.

The annual general assembly meeting (“AGM”) of the Parent Company for the year ended 31 December 2022 has not been held yet. Accordingly, the shareholders of the Parent Company have not yet approved the consolidated financial statements for the year ended 31 December 2022. The interim condensed consolidated financial information for the three months period ended 31 March 2023 do not include any adjustments, which might have been required.

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. Subsequent to the reporting date, on 20 April 2023, the Board of Commissioners of the Capital Markets Authority rejected the Parent Company’s request to delist from Boursa Kuwait.

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;
- ▶ 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 three months ended 31 March 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 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.

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 31 March 2023

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

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 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.

3 DISPOSAL OF A SUBSIDIARY AND DISCONTINUED OPERATIONS

On 31 March 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, Higlieig 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.

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 31 March 2023

3 DISPOSAL OF A SUBSIDIARY AND DISCONTINUED OPERATIONS (continued)

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 Hagleig, 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 of KD 11,270,406 in the consolidated statement of profit or loss for the year ended December 2022, on disposal of the subsidiary.

Loss on disposal of subsidiary included in the consolidated statement of profit or loss for the year ended December 2022 were as follows:

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

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	KD	KD
Contract revenue	-	672,197
Contract costs	-	(620,161)
	-	52,036
Other income	-	2,554
General and administration expenses	-	(79,284)
Staff costs	-	(403,550)
Finance costs	-	(196)
Net foreign exchange differences	-	76,344
Monetary loss from hyperinflation**	-	(1,019)
LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS	-	(353,115)
Taxation on foreign operations	-	113,502
LOSS AFTER TAX FROM DISCONTINUED OPERATIONS	-	(239,613)
LOSS FROM DISCONTINUED OPERATIONS	-	(239,613)
Attributable to:		
Equity holders of the Parent Company	-	(153,951)
Non-controlling interests	-	(85,662)
	-	(239,613)
BASIC AND DILUTED LOSS PER SHARE FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	-	(0.75) fils

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 31 March 2023

3 DISPOSAL OF A SUBSIDIARY AND DISCONTINUED OPERATIONS (continued)

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	KD	KD
Operating	-	(2,182,535)
Investing	-	(31,201)
Financing	-	(15,021)
Net cash outflows	-	(2,228,757)

**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 Higlieig, 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:

	Index	Conversion Factor
30 June 2022	36,131.063	1.553
31 March 2022	18,973.514	1.000
31 December 2022	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

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	2023	2022	2022
	KD	KD	KD
Closed ended fund	2,409,333	2,779,603	2,523,945
Open ended fund	277,679	274,827	270,388
	2,687,012	3,054,430	2,794,333

Fair value hierarchy for determining the fair value of the financial instruments and the valuation techniques are detailed in Note 9.

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 31 March 2023

5 CASH AND CASH EQUIVALENTS

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

	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>2023</i>	<i>31 December</i>	<i>2022</i>
	<i>KD</i>	<i>2022</i>	<i>2022</i>
		<i>KD</i>	<i>KD</i>
Bank balances and cash	828,825	1,751,394	292,724
Wakala deposits	2,909,900	15,314,775	14,500,000
Cash and cash equivalents in the interim condensed consolidated statement of financial position	3,738,725	17,066,169	14,792,724
Bank balances and cash attributable to discontinued operations	-	-	952,556
Restricted bank balances	(4,174)	(4,170)	(4,138)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	3,734,551	17,061,999	15,741,142

Restricted bank balances of KD 4,174 (31 December 2022: KD 4,170 and 31 March 2022: KD 4,138) 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.
- ▶ 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 June 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.

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 three months ended 31 March 2023 and 2022, as well as balances with related parties as at 31 March 2023, 31 December 2022 and 31 March 2022:

	<i>Ultimate</i>	<i>Intermediary</i>	<i>Other</i>	<i>(Audited)</i>	<i>31 March</i>	<i>31 March</i>
	<i>Parent</i>	<i>Parent</i>	<i>related</i>	<i>31 March</i>	<i>31 December</i>	<i>2022</i>
	<i>Company</i>	<i>Company</i>	<i>parties</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of financial position						
Trade and other receivables	-	-	-	-	2,746,683	1,251,335
Cash and cash equivalents	870,068	-	-	870,068	2,396,564	117,010

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 31 March 2023

7 RELATED PARTY DISCLOSURES (continued)

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	KD	KD
<i>Interim condensed consolidated statement of profit or loss:</i>		
Finance income (“Ultimate Parent Company”)	1,116	332

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</i>		<i>Balance outstanding as at</i>		
	<i>three months ended</i>		<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	2023	2022	2023	2022	2022
	KD	KD	KD	KD	KD
				<i>(Audited)</i>	
Salaries and other short-term benefits	32,808	42,211	-	-	-
Employees end of service benefits	1,734	1,277	26,358	24,623	19,552
	34,542	43,488	26,358	24,623	19,552

The Board of Directors at the meeting held on 8th March 2023 did not propose any directors’ remuneration for the year ended 31 December 2022.

8 LOSS PER SHARE (EPS)

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
Loss for the period attributable to shareholders of the Parent Company (KD)		
Continuing operations	(351,188)	(36,068)
Discontinuing operations	-	(153,951)
Loss for the period attributable to equity holders of the Parent Company (fils)	(351,188)	(190,019)
Weighted average number of outstanding shares*	45,332,930	205,332,930
Basic and diluted EPS attributable to equity holders of the Parent Company (fils)	(7.75)	(0.93)
Basic and diluted EPS from continuing operations attributable to equity holders of the Parent Company (fils)	(7.75)	(0.18)

* 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.

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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9 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

Set out below is the fair values of financial assets measured at fair value on a recurring basis as at 31 March 2023, 31 December 2022 and 31 March 2022:

	<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>	
31 March 2023				
<i>Financial assets at fair value through profit or loss</i>				
- Open-ended fund	-	277,679	-	277,679
- Closed ended private equity fund	-	-	2,409,333	2,409,333
	-	277,679	2,409,333	2,687,012
31 December 2022 (Audited)				
<i>Financial assets at fair value through profit or loss</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
31 March 2022				
<i>Financial assets at fair value through profit or loss</i>				
- Open-ended fund	-	270,388	-	270,388
- Closed ended private equity fund	-	-	2,523,945	2,523,945
Investment securities (at fair value)	-	270,388	2,523,945	2,794,333

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 31 March 2023

9 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

	<i>Unquoted private equity fund</i>		
	<i>31 March 2023 KD</i>	<i>31 December 2022 KD (Audited)</i>	<i>31 March 2022 KD</i>
As at 1 January	2,779,603	2,526,436	2,526,436
Remeasurement recognised in profit or loss	(372,566)	221,284	(14,134)
Foreign currency translation adjustment	2,296	31,883	11,643
At the end of the period/ year	2,409,333	2,779,603	2,523,945

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.

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.

10 CAPITAL COMMITMENTS

	<i>(Audited)</i>		
	<i>31 March 2023 KD</i>	<i>31 December 2022 KD</i>	<i>31 March 2022 KD</i>
Uncalled capital call – (private equity fund)	438,613	438,184	434,751

11 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 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 31 March 2023

11 SEGMENT INFORMATION (continued)

The following table present revenue and results information of the Group's operating segments for the three months period ended 31 March 2023 and 31 March 2022, respectively:

	<i>Three months ended 31 March 2023</i>		
	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
Segment income	89	-	89
Segment results	28,467	(370,242)	(341,775)
<i>Other disclosures:</i>			
Finance costs	(4,485)	(566)	(5,051)
Unrealised loss on financial assets at fair value through profit or loss	-	(369,714)	(369,714)
	<i>Three months ended 31 March 2022</i>		
	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
Segment income	249,201	-	249,201
Segment results	(14,361)	(21,065)	(35,426)
<i>Other disclosures:</i>			
Finance costs	(4,435)	(912)	(5,347)
Unrealised loss on financial assets at fair value through profit or loss	-	(13,110)	(13,110)

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

	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>As at 31 March 2023</i>			
Segment assets	5,836,517	1,323,293	7,159,810
Segment liabilities	2,415,397	675,157	3,090,554
<i>As at 31 December 2022 (Audited)</i>			
Segment assets	6,085,292	17,573,450	23,658,742
Segment liabilities	2,602,685	16,588,167	19,190,852
<i>As at 31 March 2022</i>			
Segment assets (excluding assets held for sale)	5,822,723	14,616,286	20,439,009
Segment liabilities (excluding liabilities directly associated with the disposal group held for sale)	2,426,312	959,289	3,385,601

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 31 March 2023

11 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.

	<u>31 March 2023</u>				<u>31 March 2022</u>			
	<i>Kuwait</i> <i>KD</i>	<i>MENA</i> <i>KD</i>	<i>Outside</i> <i>MENA</i> <i>KD</i>	<i>Total</i> <i>KD</i>	<i>Kuwait</i> <i>KD</i>	<i>MENA</i> <i>KD</i>	<i>Outside</i> <i>MENA</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Segment income	-	89	-	89	-	249,201	-	249,201
Segment results	<u>(94,849)</u>	<u>125,602</u>	<u>(372,528)</u>	<u>(341,775)</u>	<u>(23,209)</u>	<u>8,960</u>	<u>(21,177)</u>	<u>(35,426)</u>

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