

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

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

31 MARCH 2024



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 2024, 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 2024 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 establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the three-month period ended 31 March 2024 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

12 May 2024

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 2024

		31 March 2024 KD	(Audited) 31 December 2023 KD	31 March 2023 KD
ASSETS				
Non-current assets				
Property and equipment		48	91	571
Right-of-use assets		8,890	14,227	251,359
Financial assets at fair value through profit or loss	3	1,314,098	1,307,295	2,687,012
		<u>1,323,036</u>	<u>1,321,613</u>	<u>2,938,942</u>
Current assets				
Trade and other receivables		250,636	274,546	482,143
Cash and cash equivalents	4	2,997,951	3,136,413	3,738,725
		<u>3,248,587</u>	<u>3,410,959</u>	<u>4,220,868</u>
TOTAL ASSETS		<u><u>4,571,623</u></u>	<u><u>4,732,572</u></u>	<u><u>7,159,810</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		4,533,293	4,533,293	4,533,293
Other reserves		(700,997)	(700,997)	(700,997)
Foreign currency translation reserve		595,513	611,638	634,843
Accumulated losses		(1,465,247)	(1,369,621)	(206,170)
Equity attributable to equity holders of the Parent Company		<u>2,962,562</u>	<u>3,074,313</u>	<u>4,260,969</u>
Non-controlling interests		(161,293)	(158,369)	(191,713)
Total equity		<u>2,801,269</u>	<u>2,915,944</u>	<u>4,069,256</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		87,090	82,178	89,774
Lease liabilities		7,691	13,345	281,265
		<u>94,781</u>	<u>95,523</u>	<u>371,039</u>
Current liabilities				
Trade and other payables		1,594,859	1,634,524	2,611,209
Distributions payable	5	78,764	84,631	91,803
Lease liabilities		1,950	1,950	16,503
		<u>1,675,573</u>	<u>1,721,105</u>	<u>2,719,515</u>
Total liabilities		<u>1,770,354</u>	<u>1,816,628</u>	<u>3,090,554</u>
TOTAL EQUITY AND LIABILITIES		<u><u>4,571,623</u></u>	<u><u>4,732,572</u></u>	<u><u>7,159,810</u></u>


Abdulrazzaq Ahmad Alroomi
Chairman


Hamad A. Al-Qahtani
Chief Executive Officer

The attached notes from 1 to 10 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 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
<i>Note</i>	2024	2023
	KD	KD
REVENUE FROM OPERATIONS		
Services revenue	106	89
Services costs	(9,573)	(69,707)
GROSS LOSS	(9,467)	(69,618)
Other income	600	289,667
Profit from wakala deposits and other assets	38,348	53,397
Unrealised profit (loss) on financial assets at fair value through profit or loss	3,141	(369,714)
Staff costs	(84,270)	(98,345)
General and administrative expenses	(53,250)	(137,762)
Finance costs	(195)	(5,051)
Net foreign exchange differences	7,099	(4,349)
LOSS BEFORE TAX	(97,994)	(341,775)
National Labour Support Tax (NLST)	-	-
Zakat	-	-
LOSS FOR THE PERIOD	(97,994)	(341,775)
Attributable to:		
Equity holders of the Parent Company	(95,626)	(351,188)
Non-controlling interests	(2,368)	9,413
	(97,994)	(341,775)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	(2.11) fils	(7.75) fils
	6	

The attached notes from 1 to 10 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 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024	2023
	KD	KD
LOSS FOR THE PERIOD	(97,994)	(341,775)
Other comprehensive loss:		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Net exchange differences on translation of foreign operations	(16,681)	(56,859)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(16,681)	(56,859)
Total other comprehensive loss for the period	(16,681)	(56,859)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(114,675)	(398,634)
Attributable to:		
Equity holders of the Parent Company	(111,751)	(403,912)
Non-controlling interests	(2,924)	5,278
	(114,675)	(398,634)

The attached notes from 1 to 10 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 2024

	<i>Attributable to the equity holders of the Parent Company</i>						
	<i>Share capital</i> KD	<i>Other reserves</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Accumulated losses</i> KD	<i>Sub-total</i> KD	<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
As at 1 January 2024 (Audited)	4,533,293	(700,997)	611,638	(1,369,621)	3,074,313	(158,369)	2,915,944
Loss for the period	-	-	-	(95,626)	(95,626)	(2,368)	(97,994)
Other comprehensive loss for the period	-	-	(16,125)	-	(16,125)	(556)	(16,681)
Total comprehensive loss for the period	-	-	(16,125)	(95,626)	(111,751)	(2,924)	(114,675)
At 31 March 2024	4,533,293	(700,997)	595,513	(1,465,247)	2,962,562	(161,293)	2,801,269
As at 1 January 2023 (Audited)	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

The attached notes from 1 to 10 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 2024

	Note	Three months ended 31 March	
		2024 KD	2023 KD
OPERATING ACTIVITIES			
Loss for the period before tax		(97,994)	(341,775)
<i>Adjustments to reconcile loss before tax to net cash flows:</i>			
Profit from wakala deposits and other assets		(38,348)	(53,397)
Unrealised (gain) loss on financial assets at fair value through profit or loss		(3,141)	369,714
Provision for employees' end of service benefits		2,948	6,046
Depreciation of property and equipment		43	265
Depreciation of right-of-use assets		5,337	8,111
Finance costs		196	5,051
Net foreign exchange differences		(7,099)	4,349
		(138,058)	(1,636)
<i>Working capital changes:</i>			
Trade and other receivables		16,967	2,778,022
Trade and other payables		(39,665)	(196,895)
Net cash flows (used in) from operating activities		(160,756)	2,579,491
INVESTING ACTIVITIES			
Profit received from wakala deposits and other assets		52,390	66,938
Net movement in restricted bank balances and deposits		(15)	(4)
Net cash flows from investing activities		52,375	66,934
FINANCING ACTIVITIES			
Distributions paid to equity holders on reduction of share capital		(5,867)	(15,908,197)
Payment of lease liabilities		(5,850)	(5,850)
Net cash flows used in financing activities		(11,717)	(15,914,047)
Effect of foreign currency translation		(18,379)	(59,826)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(138,477)	(13,327,448)
Cash and cash equivalents at 1 January	4	3,132,236	17,061,999
CASH AND CASH EQUIVALENTS AT 31 MARCH	4	2,993,759	3,734,551

The attached notes from 1 to 10 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 2024

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 2024 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 12 May 2024.

The annual general assembly meeting (“AGM”) of the Parent Company for the year ended 31 December 2023 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 2023. The interim condensed consolidated financial information for the three months period ended 31 March 2024 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. 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.

Subsequently, 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, 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 2024 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 31 March 2024

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 2023.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

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 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

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

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

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 31 March 2024

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>31 March</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>31 March</i> <i>2023</i> <i>KD</i>
Closed-ended private equity fund	1,024,992	1,021,330	2,409,333
Open-ended fund	289,106	285,965	277,679
	<u>1,314,098</u>	<u>1,307,295</u>	<u>2,687,012</u>

Fair value hierarchy for determining the fair value of the financial instruments and the valuation techniques are detailed in Note 7.

4 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>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>31 March</i> <i>2023</i> <i>KD</i>
Bank balances and cash	463,076	402,913	828,825
Wakala deposits	2,534,875	2,733,500	2,909,900
Cash and cash equivalents in the interim condensed consolidated statement of financial position	2,997,951	3,136,413	3,738,725
Restricted bank balances	(4,192)	(4,177)	(4,174)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	<u>2,993,759</u>	<u>3,132,236</u>	<u>3,734,551</u>

Restricted bank balances of KD 4,192 (31 December 2023: KD 4,177 and 31 March 2023: KD 4,174) represent margin deposits secured against bank facilities and are not available for day-to-day use by the Group.

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 2024

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 three months ended 31 March 2024 and 2023, as well as balances with related parties as at 31 March 2024, 31 December 2023 and 31 March 2023:

	<i>Ultimate Parent Company KD</i>	<i>Intermediary Parent Company KD</i>	<i>Other related parties KD</i>	<i>31 March 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>31 March 2023 KD</i>
<i>Interim condensed consolidated statement of financial position</i>						
Cash and cash equivalents	759,983	-	-	759,983	686,173	870,068
Distribution payable *	-	-	78,764	78,764	84,631	91,803

* Distribution payable represents amount payable to shareholders in cash on account of capital reduction.

	<i>Three months ended 31 March</i>	
	<i>2024 KD</i>	<i>2023 KD</i>
<i>Interim condensed consolidated statement of profit or loss:</i>		
Finance income ("Ultimate Parent Company")	49	1,116

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>Balance outstanding as at</i>		
	<i>31 March 2024 KD</i>	<i>31 March 2023 KD</i>	<i>31 March 2024 KD</i>	<i>31 December 2023 KD</i>	<i>31 March 2023 KD</i>
Salaries and other short-term benefits	32,721	32,808	-	-	-
Employees end of service benefits	2,689	1,734	36,945	34,255	26,358
	35,410	34,542	36,945	34,255	26,358

The Board of Directors at the meeting held on 21 March 2024 did not propose any directors' remuneration for the year ended 31 December 2023.

6 LOSS PER SHARE

Basic 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. 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 loss per share are identical.

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 2024

6 LOSS PER SHARE (continued)

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024	2023
Loss for the period attributable to equity holders of the Parent Company (KD)	(95,626)	(351,188)
Weighted average number of outstanding shares	45,332,930	45,332,930
Basic and diluted loss per share attributable to equity holders of the Parent Company (fils)	(2.11)	(7.75)

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.

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 31 March 2024, 31 December 2023 and 31 March 2023:

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 2024

7 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>	
31 March 2024				
<i>Financial assets at FVTPL</i>				
- Open-ended fund	-	289,106	-	289,106
- Closed ended private equity fund	-	-	1,024,992	1,024,992
	-	289,106	1,024,992	1,314,098
31 December 2023 (Audited)				
<i>Financial assets at FVTPL</i>				
- Open-ended fund	-	285,965	-	285,965
- Closed ended private equity fund	-	-	1,021,330	1,021,330
	-	285,965	1,021,330	1,307,295
31 March 2023				
<i>Financial assets at FVTPL</i>				
- Open-ended fund	-	277,679	-	277,679
- Closed-ended private equity fund	-	-	2,409,333	2,409,333
Investment securities (at fair value)	-	277,679	2,409,333	2,687,012

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

	<i>Unquoted private equity fund</i>		
	<i>31 March 2024 KD</i>	<i>31 December 2023 KD (Audited)</i>	<i>31 March 2023 KD</i>
As at 1 January	1,021,330	2,779,603	2,779,603
Remeasurement recognised in profit or loss	-	(1,764,755)	(372,566)
Foreign currency translation adjustment	3,662	6,482	2,296
At the end of the period/ year	1,024,992	1,021,330	2,409,333

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 2023.

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 2024

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 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.

8 CAPITAL COMMITMENTS

	<i>31 March</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>31 March</i> <i>2023</i> <i>KD</i>
Uncalled capital call – (private equity fund)	<u><u>440,473</u></u>	<u><u>438,899</u></u>	<u><u>438,613</u></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).

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.

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 2024

10 SEGMENT INFORMATION (continued)

i) Primary 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 2024 and 31 March 2023, respectively:

	<i>Three months ended 31 March 2024</i>		
	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
Segment income	106	-	106
Segment results	(126,899)	28,905	(97,994)
<i>Other disclosures:</i>			
Finance costs	-	(195)	(195)
Unrealised gain on financial assets at fair value through profit or loss	-	3,141	3,141
	<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)

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2024, 31 December 2023 and 31 March 2023 respectively:

	<i>Energy KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>As at 31 March 2024</i>			
Segment assets	803,503	3,768,120	4,571,623
Segment liabilities	1,240,756	529,598	1,770,354
<i>As at 31 December 2023 (Audited)</i>			
Segment assets	854,520	3,878,052	4,732,572
Segment liabilities	1,243,276	573,352	1,816,628
<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

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 2024

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.

	<i>31 March 2024</i>				<i>31 March 2023</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	-	106	-	106	-	89	-	89
Segment results	(66,490)	(31,473)	(31)	(97,994)	(94,849)	125,602	(372,528)	(341,775)

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over.

We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

The MENA practice of EY has been operating in the region since 1923. For more than 90 years, we have grown to more than 6,000 people united across 20 offices and 15 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2017 EYGM Limited.

All Rights Reserved.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com/mena