

**National Petroleum Services Company  
K.S.C.P. and Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

**30 SEPTEMBER 2022 (UNAUDITED)**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P.**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Petroleum Services Company K.S.C.P. (the “Parent Company”) and subsidiaries (collectively, the “Group”) as at 30 September 2022, the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three and nine months periods then ended, and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Parent Company 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 regulation, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine months period ended 30 September 2022 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 violations of the provisions of Law No.7 of 2010, concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



WALEED A. AL OSAIMI

LICENCE NO. 68 A

EY

AL AIBAN, AL OSAIMI & PARTNERS

10 November 2022  
Kuwait

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2022

		30 September 2022	(Audited) 31 December 2021	30 September 2021
	Notes	KD	KD	KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		11,366,372	9,411,500	9,329,045
Right-of-use assets		445,591	239,654	198,806
		<u>11,811,963</u>	<u>9,651,154</u>	<u>9,527,851</u>
<b>Current assets</b>				
Inventories		5,619,401	4,238,694	4,381,970
Trade receivables and contract assets		16,150,300	12,711,640	12,818,058
Prepayments and other receivables	3	3,651,312	4,236,730	4,637,141
Financial assets at fair value through profit or loss		309,655	1,406,279	1,409,073
Term deposits	4	11,000,000	13,000,000	12,292,000
Bank balances and cash		2,557,262	2,195,814	1,236,191
		<u>39,287,930</u>	<u>37,789,157</u>	<u>36,774,433</u>
<b>TOTAL ASSETS</b>		<u><u>51,099,893</u></u>	<u><u>47,440,311</u></u>	<u><u>46,302,284</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		10,000,000	10,000,000	10,000,000
Share premium		3,310,705	3,310,705	3,310,705
Treasury shares	5	(654,461)	(654,461)	(654,461)
Treasury shares reserve		33,825	33,825	33,825
Statutory reserve		5,858,895	5,858,895	5,858,895
Voluntary reserve		5,858,895	5,858,895	5,858,895
Foreign currency translation reserve		(13,464)	(8,072)	(1,427)
Retained earnings		16,441,255	14,442,021	12,885,660
<b>Equity attributable to holders of the Parent Company</b>		<u>40,835,650</u>	<u>38,841,808</u>	<u>37,292,092</u>
Non-controlling interests		14	14	13
<b>Total equity</b>		<u>40,835,664</u>	<u>38,841,822</u>	<u>37,292,105</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		3,410,784	3,023,880	2,992,192
Lease liabilities		205,086	71,463	63,119
		<u>3,615,870</u>	<u>3,095,343</u>	<u>3,055,311</u>
<b>Current liabilities</b>				
Account payables and accruals	6	6,395,859	5,325,550	5,809,660
Lease liabilities		252,500	177,596	145,208
		<u>6,648,359</u>	<u>5,503,146</u>	<u>5,954,868</u>
<b>Total liabilities</b>		<u>10,264,229</u>	<u>8,598,489</u>	<u>9,010,179</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>51,099,893</u></u>	<u><u>47,440,311</u></u>	<u><u>46,302,284</u></u>

  
 Omran Habib Jawhar Hayat  
 Chairman

  
 Khaled Hamdan Al Saif  
 Vice Chairman & CEO

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2022

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022 KD	2021 KD	2022 KD	2021 KD
Sales and services revenue	7	<b>10,177,005</b>	7,404,016	<b>26,717,445</b>	19,769,285
Cost of sales and services rendered		<b>(7,163,955)</b>	(5,962,785)	<b>(19,539,363)</b>	(15,385,747)
<b>GROSS PROFIT</b>		<b>3,013,050</b>	1,441,231	<b>7,178,082</b>	4,383,538
Interest income		<b>67,734</b>	52,954	<b>182,894</b>	217,659
Net investment income (loss)	8	<b>19,824</b>	(130,271)	<b>(434,070)</b>	(121,173)
Other income		<b>176,552</b>	13,109	<b>393,778</b>	291,870
General and administrative expenses	9	<b>(687,472)</b>	(427,316)	<b>(1,558,927)</b>	(1,261,929)
<b>PROFIT BEFORE TAX AND DIRECTORS' REMUNERATION</b>		<b>2,589,688</b>	949,707	<b>5,761,757</b>	3,509,965
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		<b>(25,974)</b>	(10,853)	<b>(57,618)</b>	(36,456)
National Labour Support Tax (NLST)		<b>(78,975)</b>	(30,610)	<b>(159,524)</b>	(100,496)
Zakat		<b>(28,004)</b>	(12,245)	<b>(63,973)</b>	(40,199)
Directors' remuneration		<b>(39,334)</b>	(16,280)	<b>(86,408)</b>	(54,684)
<b>PROFIT FOR THE PERIOD</b>		<b>2,417,401</b>	879,719	<b>5,394,234</b>	3,278,130
<b>Other comprehensive loss</b>					
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange difference on translation of foreign operations		<b>(1,317)</b>	(7,930)	<b>(5,392)</b>	(7,930)
<b>Other comprehensive loss for the period</b>		<b>(1,317)</b>	(7,930)	<b>(5,392)</b>	(7,930)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,416,084</b>	871,789	<b>5,388,842</b>	3,270,200
<b>Profit attributable to Equity holders of the Parent Company</b>		<b>2,417,401</b>	879,719	<b>5,394,234</b>	3,278,130
<b>Total comprehensive income attributable to Equity holders of the Parent Company</b>		<b>2,416,084</b>	871,789	<b>5,388,842</b>	3,270,200
<b>BASIC AND DILUTED EARNINGS PER SHARE (EPS) ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY</b>	10	<b>24.92 fils</b>	9.07 fils	<b>55.61 fils</b>	33.80 fils

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2022

*Attributable to Equity Holders of the Parent Company*

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
As at 1 January 2022 (Audited)	10,000,000	3,310,705	(654,461)	33,825	5,858,895	5,858,895	(8,072)	14,442,021	38,841,808	14	38,841,822
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(5,392)	5,394,234	5,388,842	-	5,388,842
Cash dividends (note 11)	-	-	-	-	-	-	-	(3,395,000)	(3,395,000)	-	(3,395,000)
<b>At 30 September 2022</b>	<b>10,000,000</b>	<b>3,310,705</b>	<b>(654,461)</b>	<b>33,825</b>	<b>5,858,895</b>	<b>5,858,895</b>	<b>(13,464)</b>	<b>16,441,255</b>	<b>40,835,650</b>	<b>14</b>	<b>40,835,664</b>
As at 1 January 2021 (Audited)	10,000,000	3,310,705	(654,461)	33,825	5,858,895	5,858,895	6,503	15,815,530	40,229,892	13	40,229,905
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(7,930)	3,278,130	3,270,200	-	3,270,200
Cash dividends (note 11)	-	-	-	-	-	-	-	(6,208,000)	(6,208,000)	-	(6,208,000)
At 30 September 2021	10,000,000	3,310,705	(654,461)	33,825	5,858,895	5,858,895	(1,427)	12,885,660	37,292,092	13	37,292,105

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

# National Petroleum Services Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 30 September 2022

		<i>Nine months ended</i>	
		<i>30 September</i>	
		<b>2022</b>	<b>2021</b>
	<i>Notes</i>	<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
Profit before tax and after directors' remuneration		<b>5,675,349</b>	3,455,281
<i>Adjustments to reconcile profit before tax and after directors' remuneration to net cash flows:</i>			
Depreciation expense		<b>1,588,916</b>	1,567,371
Depreciation of right-of-use assets		<b>224,509</b>	220,232
Gain on sale of property, plant and equipment		<b>(80,409)</b>	(239,698)
Dividend income	8	<b>(49,154)</b>	(13,827)
Interest income		<b>(182,894)</b>	(217,659)
Net foreign exchange differences		<b>34,754</b>	(32,461)
Interest expense on lease liabilities	9	<b>25,912</b>	17,059
Unrealised loss on financial assets at fair value through profit or loss	8	<b>483,224</b>	135,000
Provision for employees' end of service benefits		<b>670,152</b>	374,247
Gain on derecognition of right-of-use assets and lease liabilities		<b>-</b>	(312)
		<b>8,390,359</b>	5,265,233
<i>Working capital changes:</i>			
Inventories		<b>(1,380,707)</b>	640,850
Trade receivables and contract assets		<b>(3,438,660)</b>	1,479,250
Prepayments and other receivables		<b>469,857</b>	(1,741,966)
Accounts payable and accruals		<b>944,525</b>	1,003,598
		<b>4,985,374</b>	6,646,965
Employees' end of service benefits paid		<b>(283,248)</b>	(298,595)
Taxes paid		<b>(197,161)</b>	(252,824)
		<b>4,504,965</b>	6,095,546
<b>Net cash flows from operating activities</b>			
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(3,561,339)</b>	(681,903)
Proceeds from sale of property, plant and equipment		<b>97,960</b>	239,745
Purchase of financial assets at FVTPL		<b>-</b>	(608,000)
Proceeds from sale/redemption of financial assets at FVTPL		<b>613,400</b>	-
Dividend income received		<b>49,154</b>	13,827
Interest income received		<b>298,455</b>	232,945
Net movement in term deposits		<b>2,000,000</b>	208,000
		<b>(502,370)</b>	(595,386)
<b>Net cash flows used in investing activities</b>			
<b>FINANCING ACTIVITIES</b>			
Dividends paid		<b>(3,387,924)</b>	(6,054,150)
Payment of lease liabilities		<b>(247,831)</b>	(242,326)
		<b>(3,635,755)</b>	(6,296,476)
<b>Net cash flows used in financing activities</b>			
<b>NET INCREASE (DECREASE) IN BANK BALANCES AND CASH</b>			
Foreign currency translation adjustment		<b>(5,392)</b>	(7,930)
Bank balances and cash at 1 January		<b>2,195,814</b>	2,040,437
		<b>2,557,262</b>	1,236,191
<b>BANK BALANCES AND CASH AT 30 SEPTEMBER</b>			
<b>Non-cash items excluded from the interim condensed consolidated statement of cash flows:</b>			
Additions to right-of-use assets		<b>(430,446)</b>	(9,718)
Additions to lease liabilities		<b>430,446</b>	9,718
Derecognition of right-of-use assets		<b>-</b>	6,587
Derecognition of lease liabilities		<b>-</b>	(6,899)

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

# National Petroleum Services Company K.S.C.P. and Subsidiaries

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

As at and for the period ended 30 September 2022

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of National Petroleum Services Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2022 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 10 November 2022.

The consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the Parent Company’s shareholders at the annual general assembly meeting (“AGM”) held on 20 April 2022. Dividends approved by the Parent Company for the year then ended are provided in Note 11.

The Parent Company is a Kuwaiti Shareholding Company incorporated on 3 January 1993 and whose shares are publicly traded on Boursa Kuwait. The Parent Company is a subsidiary of Qurain Petrochemical Industries Company K.S.C.P. (the “Ultimate Parent Company”). The Parent Company is located at Shuaiba Industrial Area, Al-Ahmadi, Plot 3 and its registered postal address is P.O. Box 9801, 61008, Kuwait.

The Parent Company is engaged in the provision of upstream and downstream oil field services.

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

#### 2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*”. The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021.

The Group has not early adopted any other standard, interpretation or amendment that has been issued or not yet effective. Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have any material impact on the accounting policies, financial position or performance of the Group.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

In addition, results for the nine months period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

### 3 PREPAYMENTS AND OTHER RECEIVABLES

	<i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Advance payments to suppliers	<b>2,010,479</b>	1,934,015	2,258,458
Staff receivables	<b>394,457</b>	346,231	359,217
Deposits and other receivables	<b>1,246,376</b>	1,956,484	2,019,466
	<b><u>3,651,312</u></b>	<u>4,236,730</u>	<u>4,637,141</u>

### 4 TERM DEPOSITS

Term deposits amounting to KD 11,000,000 (31 December 2021: KD 13,000,000 and 30 September 2021: KD 12,292,000) are denominated in Kuwaiti Dinars and are placed with local banks.

Term deposits have a maturity of more than 3 months and less than 12 months from the placement date and yield interest at an average rate of 2.29 % (31 December 2021: 2.1% and 30 September 2021: 1.8%).

# National Petroleum Services Company K.S.C.P. and Subsidiaries

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

As at and for the period ended 30 September 2022

### 5 TREASURY SHARES

	<b>30 September</b>	<i>(Audited)</i> <b>31 December</b>	<b>30 September</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Number of treasury shares	<b>3,000,000</b>	3,000,000	3,000,000
Percentage of issued shares	<b>3.00%</b>	3.00%	3.00%
Market value	<b>2,250,000</b>	2,460,000	2,343,000
Cost	<b>654,461</b>	654,461	654,461

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares as per CMA guidelines.

### 6 ACCOUNT PAYABLES AND ACCRUALS

	<b>30 September</b>	<i>(Audited)</i> <b>31 December</b>	<b>30 September</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Account payables	<b>1,471,315</b>	1,491,642	2,291,202
Dividends payable	<b>344,370</b>	337,294	337,294
Accrued staff costs	<b>367,899</b>	550,554	474,702
Advances received from client	<b>356,655</b>	356,655	356,655
Taxes payable	<b>325,456</b>	241,502	236,375
Accrued directors' remuneration	<b>86,408</b>	77,478	54,684
Other accrued expenses and provisions	<b>3,443,756</b>	2,270,425	2,058,748
	<b>6,395,859</b>	5,325,550	5,809,660

### 7 SALES AND SERVICES REVENUE

#### Disaggregated revenue information

Set out below is the disaggregation of the Group's sales and services revenue:

	<i>Three months ended</i> <b>30 September</b>		<i>Nine months ended</i> <b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Type of goods or services</b>				
<i>Oil field contracts</i>				
Pumping services	<b>7,982,890</b>	5,646,684	<b>20,941,744</b>	14,413,105
<i>Non-oil field contracts</i>				
Health, safety, environment and man-power supply services	<b>1,934,318</b>	1,539,646	<b>5,031,677</b>	4,668,743
Other services	<b>259,797</b>	217,686	<b>744,024</b>	687,437
<b>Total sales and services revenue</b>	<b>10,177,005</b>	7,404,016	<b>26,717,445</b>	19,769,285
<b>Timing of revenue recognition</b>				
Goods and services transferred at a point in time	<b>18,994</b>	320,705	<b>60,136</b>	567,993
Goods and services transferred over time	<b>10,158,011</b>	7,083,311	<b>26,657,309</b>	19,201,292
<b>Total sales and services revenue</b>	<b>10,177,005</b>	7,404,016	<b>26,717,445</b>	19,769,285
<b>Geographical markets</b>				
State of Kuwait	<b>10,177,005</b>	7,376,280	<b>26,717,445</b>	19,712,072
Others	-	27,736	-	57,213
	<b>10,177,005</b>	7,404,016	<b>26,717,445</b>	19,769,285



# National Petroleum Services Company K.S.C.P. and Subsidiaries

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

As at and for the period ended 30 September 2022

### 8 NET INVESTMENT INCOME (LOSS)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Dividend income	<b>15,666</b>	4,729	<b>49,154</b>	13,827
Unrealised gain (loss) on financial assets at fair value through profit or loss	<b>4,158</b>	(135,000)	<b>(483,224)</b>	(135,000)
	<b>19,824</b>	(130,271)	<b>(434,070)</b>	(121,173)

### 9 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Staff costs	<b>432,562</b>	260,585	<b>1,048,188</b>	750,728
Depreciation expense	<b>6,711</b>	1,423	<b>19,995</b>	21,461
Depreciation on right-of-use assets	<b>14,064</b>	8,866	<b>39,623</b>	39,375
Interest expense on lease liabilities	<b>8,629</b>	5,153	<b>25,912</b>	17,059
Professional fees	<b>9,852</b>	6,000	<b>38,175</b>	22,688
Marketing and business development expenses	<b>9,984</b>	5,114	<b>31,650</b>	17,176
Charity expense	<b>22,154</b>	10,889	<b>46,469</b>	34,962
Other expenses	<b>183,516</b>	129,286	<b>308,915</b>	358,480
	<b>687,472</b>	427,316	<b>1,558,927</b>	1,261,929

### 10 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit 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 per share are identical.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	<b>2,417,401</b>	879,719	<b>5,394,234</b>	3,278,130
Weighted average number of ordinary shares	<b>100,000,000</b>	100,000,000	<b>100,000,000</b>	100,000,000
Less: weighted average number of treasury shares	<b>(3,000,000)</b>	(3,000,000)	<b>(3,000,000)</b>	(3,000,000)
Weighted average number of shares outstanding during the period	<b>97,000,000</b>	97,000,000	<b>97,000,000</b>	97,000,000
<b>Basic and diluted EPS (fils)</b>	<b>24.92</b>	9.07	<b>55.61</b>	33.80

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

# National Petroleum Services Company K.S.C.P. and Subsidiaries

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

As at and for the period ended 30 September 2022

### 11 DISTRIBUTIONS MADE AND PROPOSED

Proposed dividends on ordinary shares are not recognised as a liability as at 31 December since they have been approved at the annual general meeting subsequent to the reporting date.

- ▶ The Parent Company's Board of Directors in their meeting held on 29 March 2022 proposed cash dividends of 35 fils per share (aggregating to KD 3,395,000) for the year ended 31 December 2021. The 2021 proposed dividends were approved at the AGM on 20 April 2022 and paid subsequently.
- ▶ The Parent Company's Board of Directors in their meeting held on 23 March 2021 proposed cash dividends of 64 fils per share (aggregating to KD 6,208,000 for the year ended 31 December 2020. The 2020 proposed dividends were approved at the AGM on 22 April 2021 and paid subsequently.

### 12 CONTINGENCIES AND COMMITMENTS

#### 12.1 Contingent liabilities

As at 30 September 2022, the Group provided guarantees for the performance of certain contracts amounting to KD 29,952,249 (31 December 2021: KD 27,917,822 and 30 September 2021: KD 28,382,256). Management does not anticipate any liabilities to arise, which might have a material effect on the Group's interim condensed consolidated financial information.

#### 12.2 Commitments

At 30 September 2022, the Group had commitments not recognised as liabilities relating to the purchase of property, plant and equipment amounting to KD 1,285,617 (31 December 2021: KD 1,826,234 and 30 September 2021: KD 757,505).

## National Petroleum Services Company K.S.C.P. and Subsidiaries

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

As at and for the period ended 30 September 2022

#### 13 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the products and services and has two reportable operating segments i.e. oil field services and non-oil field services. Management treats the operations of these segments separately for the purposes of decision making, resource allocation and performance assessment. The segment performance is evaluated based on gross profit or loss.

- ▶ Oil field services : Oil field services comprise of cementing and stimulation formulations for different applications and operating environments for oil rigs. It mainly includes well cementing services, and well intervention services.
- ▶ Non-oil field services : Non-oil field services comprise of a number of diversified activities with health, safety and environmental services, engineering and consultancy services.

The following table presents revenue and profit information for the Group's operating segments for the nine-month periods ended 30 September 2022 and 2021 respectively:

	<i>Nine months ended 30 September 2022</i>				<i>Nine months ended 30 September 2021</i>			
	<i>Oil field Services KD</i>	<i>Non-oil field services KD</i>	<i>Unallocated items KD</i>	<i>Total KD</i>	<i>Oil field services KD</i>	<i>Non-oil field services KD</i>	<i>Unallocated items KD</i>	<i>Total KD</i>
Segment revenue	<b>20,941,744</b>	<b>5,775,701</b>	-	<b>26,717,445</b>	14,413,105	5,356,180	-	19,769,285
<b>Income/(expenses)</b>								
Cost of sales <sup>1</sup>	<b>(12,495,221)</b>	<b>(5,290,335)</b>	-	<b>(17,785,556)</b>	(9,600,614)	(4,058,366)	-	(13,658,980)
Depreciation expense	<b>(1,329,611)</b>	<b>(239,310)</b>	<b>(19,995)</b>	<b>(1,588,916)</b>	(1,183,683)	(362,227)	(21,461)	(1,567,371)
Depreciation of right-of-use assets	<b>(129,785)</b>	<b>(55,101)</b>	<b>(39,623)</b>	<b>(224,509)</b>	(115,553)	(65,304)	(39,375)	(220,232)
General and administrative expenses <sup>1</sup>	-	-	<b>(1,499,309)</b>	<b>(1,499,309)</b>	-	-	(1,201,093)	(1,201,093)
Tax expenses	-	-	<b>(281,115)</b>	<b>(281,115)</b>	-	-	(177,151)	(177,151)
Directors' remuneration	-	-	<b>(86,408)</b>	<b>(86,408)</b>	-	-	(54,684)	(54,684)
Unallocated income <sup>2</sup>	-	-	<b>142,602</b>	<b>142,602</b>	-	-	388,356	388,356
Profit (loss) for the period	<b>6,987,127</b>	<b>190,955</b>	<b>(1,783,848)</b>	<b>5,394,234</b>	3,513,255	870,283	(1,105,408)	3,278,130

<sup>1</sup> These amounts exclude depreciation expense and depreciation of right-of-use assets.

<sup>2</sup> Unallocated income includes interest income, net investments income and other income.

## National Petroleum Services Company K.S.C.P. and Subsidiaries

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

As at and for the period ended 30 September 2022

#### 13 SEGMENT INFORMATION (continued)

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2022, 31 December 2021 and 30 September 2021, respectively:

	30 September 2022			(Audited) 31 December 2021			30 September 2021		
	<i>Oil field services</i> <i>KD</i>	<i>Non-oil field Services</i> <i>KD</i>	<i>Total</i> <i>KD</i>	<i>Oil field services</i> <i>KD</i>	<i>Non-oil field services</i> <i>KD</i>	<i>Total</i> <i>KD</i>	<i>Oil field services</i> <i>KD</i>	<i>Non-oil field services</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Segment assets	<b>49,378,616</b>	<b>1,411,622</b>	<b>50,790,238</b>	44,429,145	1,604,887	46,034,032	43,421,530	1,471,681	44,893,211
Unallocated assets			<b>309,655</b>			1,406,279			1,409,073
			<b>51,099,893</b>			47,440,311			46,302,284
Segment liabilities	<b>10,165,154</b>	<b>99,075</b>	<b>10,264,229</b>	8,555,220	43,269	8,598,489	8,972,741	37,438	9,010,179

# National Petroleum Services Company K.S.C.P. and Subsidiaries

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

As at and for the period ended 30 September 2022

### 14 RELATED PARTY DISCLOSURES

The Group's related parties include its associates and joint ventures, major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim condensed consolidated statement of profit or loss and other comprehensive income are as follows:

	<i>Entities under common control KD</i>	<i>30 September 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 September 2021 KD</i>
Cost of sales and services rendered	-	-	38,708	31,411

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>Entities under common control KD</i>	<i>30 September 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 September 2021 KD</i>
Accounts payable and accruals	-	-	-	3,563

#### 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 related to key management personnel were as follows.

	<i>Transaction values for the Nine months ended 30 September</i>		<i>Balance outstanding as at 30 September</i>	
	<i>2022 KD</i>	<i>2021 KD</i>	<i>2022 KD</i>	<i>2021 KD</i>
<b>Key management compensation</b>				
Salaries and other short-term benefits	333,672	259,027	138,340	127,405
Employees' end of service benefits	43,838	11,674	214,261	155,145
	<u>377,510</u>	<u>270,701</u>	<u>352,601</u>	<u>282,550</u>

### 15 FAIR VALUE MEASUREMENT

#### 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 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 financial 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.

# National Petroleum Services Company K.S.C.P. and Subsidiaries

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

As at and for the period ended 30 September 2022

### 15 FAIR VALUE MEASUREMENT

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 that are a summary of financial instruments and non-financial assets measured at fair value on a recurring basis, other than those with carrying amounts that are reasonable approximations of fair values:

	<b>Fair value measurement using</b>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
<b>30 September 2022</b>			
Financial assets at fair value through profit or loss	-	<b>309,655</b>	<b>309,655</b>
<b>31 December 2021 (Audited)</b>			
Financial assets at fair value through profit or loss	-	1,406,279	1,406,279
<b>30 September 2021</b>			
Financial assets at fair value through profit or loss	-	1,409,073	1,409,073

There were no transfers between any levels of the fair value hierarchy during the nine months ended 30 September 2022.

#### Reconciliation of Level 3 fair values

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	<b>30 September 2022 KD</b>	<i>(Audited)</i> <b>31 December 2021 KD</b>	<b>30 September 2021 KD</b>
As at 1 January	<b>1,406,279</b>	936,073	936,073
Sales / purchases (net)	<b>(613,400)</b>	608,000	608,000
Remeasurement recognised in profit or loss	<b>(483,224)</b>	(137,794)	(135,000)
	<b>309,655</b>	1,406,279	1,409,073

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 2021.

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 or other comprehensive income 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 profit rates.