

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

30 SEPTEMBER 2020 (UNAUDITED)

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

Report on the Interim Condensed Consolidated Financial Information

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 2020, the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine-month period then ended. 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, during the nine-month period ended 30 September 2020 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-month period ended 30 September 2020 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER

LICENCE NO. 207-A

EY

AL AIBAN, AL OSAIMI & PARTNERS

12 November 2020

Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2020

		30 September 2020	(Audited) 31 December 2019	30 September 2019
	Notes	KD	KD	KD
ASSETS				
Non-current assets				
Property, plant and equipment		10,617,748	11,185,207	11,477,116
Right-of-use assets		516,854	355,032	420,126
		<u>11,134,602</u>	<u>11,540,239</u>	<u>11,897,242</u>
Current assets				
Inventories		5,496,315	3,943,510	4,595,309
Trade receivables and contract assets		15,643,078	11,486,215	14,980,430
Prepayments and other receivables	3	2,031,277	1,720,412	1,245,709
Financial assets at fair value through profit or loss		953,273	1,083,316	1,398,097
Term deposits	4	10,500,000	15,912,000	9,780,000
Bank balances and cash		2,128,169	2,521,780	3,351,783
		<u>36,752,112</u>	<u>36,667,233</u>	<u>35,351,328</u>
TOTAL ASSETS		<u>47,886,714</u>	<u>48,207,472</u>	<u>47,248,570</u>
EQUITY AND LIABILITIES				
Equity				
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		6,503	8,418	8,418
Retained earnings		14,875,071	16,336,482	13,642,310
Equity attributable to holders of the Parent Company		<u>39,289,433</u>	<u>40,752,759</u>	<u>38,058,587</u>
Non-controlling interests		13	15	15
Total equity		<u>39,289,446</u>	<u>40,752,774</u>	<u>38,058,602</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		2,897,182	2,626,535	2,517,152
Lease liabilities		200,529	138,870	188,710
		<u>3,097,711</u>	<u>2,765,405</u>	<u>2,705,862</u>
Current liabilities				
Accounts payable and accruals	6	5,169,807	4,463,839	6,246,803
Lease liabilities		329,750	225,454	237,303
		<u>5,499,557</u>	<u>4,689,293</u>	<u>6,484,106</u>
Total liabilities		<u>8,597,268</u>	<u>7,454,698</u>	<u>9,189,968</u>
TOTAL EQUITY AND LIABILITIES		<u>47,886,714</u>	<u>48,207,472</u>	<u>47,248,570</u>

Omran Habib Jawhar Hayat
Chairman



Khaled Hamdan Al Saif
Vice Chairman & CEO

The attached notes 1 to 17 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 2020

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 KD	2019 KD	2020 KD	2019 KD
Sales and services revenue	7	7,336,617	8,642,834	20,443,420	25,835,001
Cost of sales and services rendered	8	(4,595,613)	(5,186,948)	(13,484,879)	(15,655,006)
GROSS PROFIT		2,741,004	3,455,886	6,958,541	10,179,995
Interest income		72,000	54,000	296,041	193,313
Net investment income	9	4,560	11,445	26,088	74,738
Other income		4,832	18,841	48,906	23,228
General and administrative expenses	10	(391,287)	(411,229)	(1,648,347)	(1,219,604)
PROFIT BEFORE TAX AND DIRECTORS' REMUNERATION		2,431,109	3,128,943	5,681,229	9,251,670
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(24,311)	(46,000)	(56,812)	(101,105)
National Labour Support Tax (NLST)		(63,444)	(81,835)	(150,593)	(240,624)
Zakat		(25,377)	(32,734)	(60,237)	(96,250)
Directors' remuneration		(36,000)	(45,000)	(85,000)	(135,000)
PROFIT FOR THE PERIOD		2,281,977	2,923,374	5,328,587	8,678,691
Other comprehensive loss					
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		-	-	(1,915)	-
Other comprehensive loss for the period		-	-	(1,915)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,281,977	2,923,374	5,326,672	8,678,691
Profit attributable to:					
Equity holders of the Parent Company		2,281,978	2,923,378	5,328,589	8,681,410
Non-controlling interests		(1)	(4)	(2)	(2,719)
		2,281,977	2,923,374	5,328,587	8,678,691
Total comprehensive income attributable to:					
Equity holders of the Parent Company		2,281,978	2,923,378	5,326,674	8,681,410
Non-controlling interests		(1)	(4)	(2)	(2,719)
		2,281,977	2,923,374	5,326,672	8,678,691
BASIC AND DILUTED EARNINGS PER SHARE (EPS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	11	23.53 fils	30.14 fils	54.93 fils	89.50 fils

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

