

Financial Statement Analysis

31st December 2024

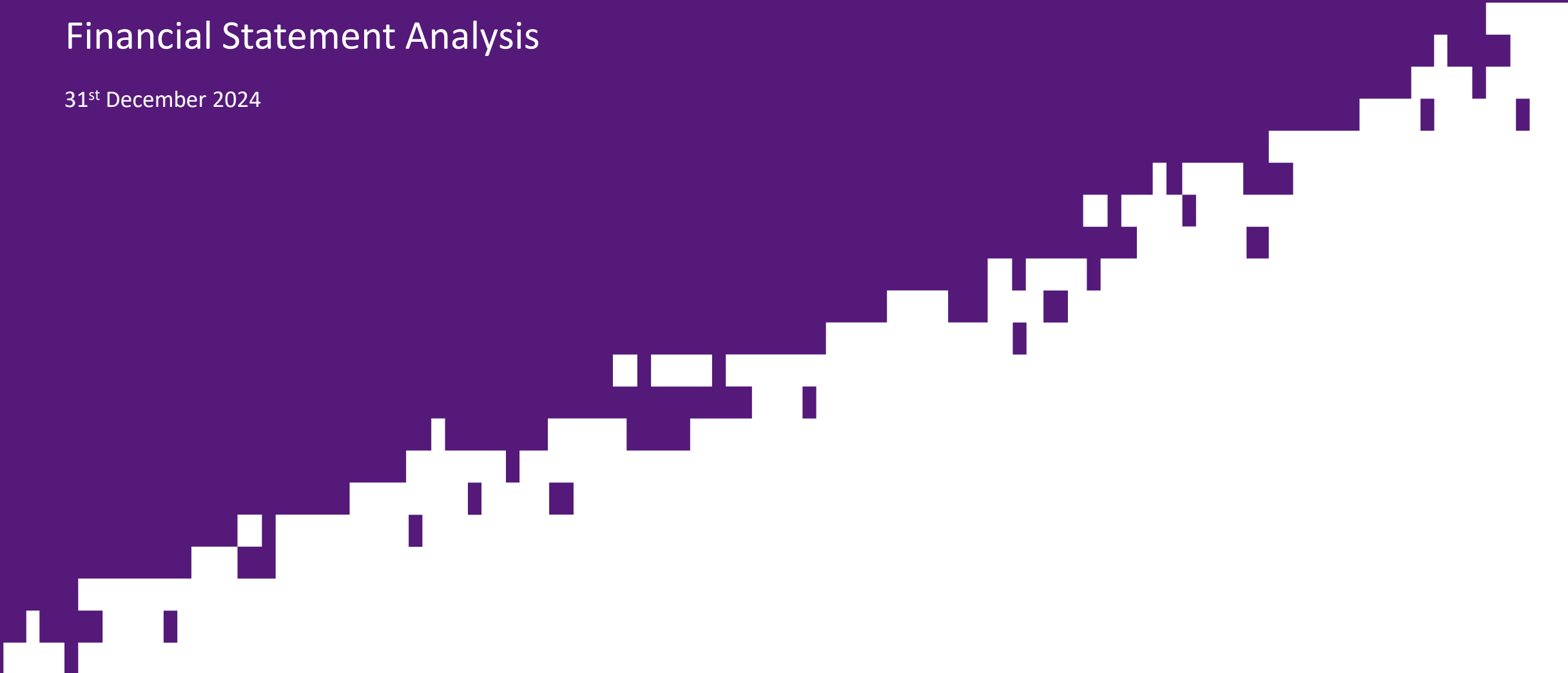


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Glossary of Terms

Abbreviation	Particular
CAGR	Compound Annual Growth Rate
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
FY	Financial Year
G&A	General & Administrative Expenses
KD	Kuwaiti Dinar
Mn	Millions
ROA	Return on Assets
ROE	Return on Equity
YoY	Year on Year

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Company Overview

1.1 Company Quick Facts

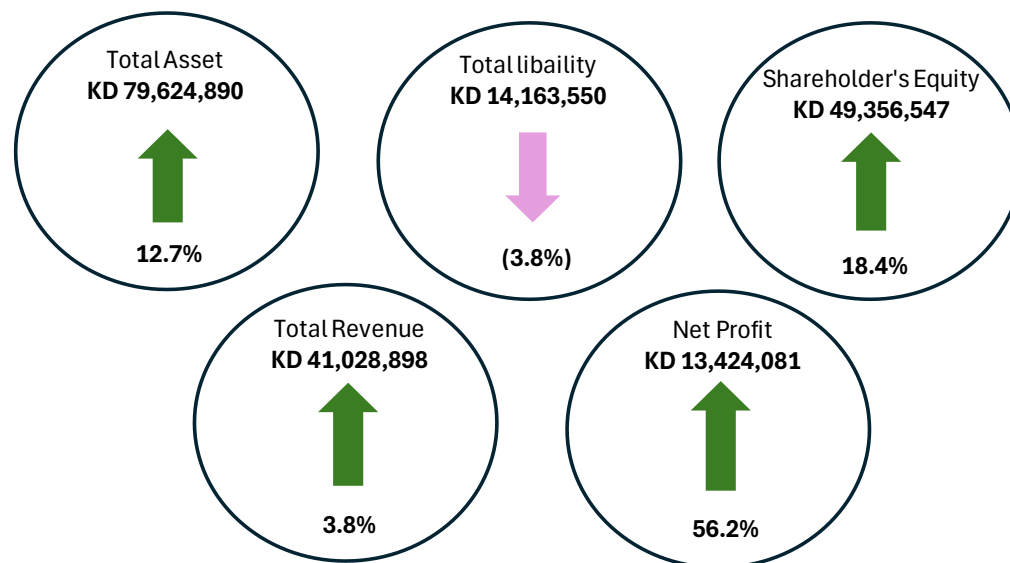
1.2 About the Company

1. Company Overview

1.1 Company Quick Facts

Particulars	
Name of the Company	National Petroleum Services Company
Nature of the Company	Kuwaiti Public Shareholding Company
Establishment Year	1993
Auditor	RSM Albazie & Co.
Financial Year End	31 st December
Share Capital as of 31 st December 2024	KD 10,000,000

Key Indicators, YoY changes (FY'24 compared to FY'23)



1.2 About the Company

National Petroleum Services Company K.S.C.P. (the "Parent Company") is a Kuwaiti Public Shareholding Company incorporated on 3rd January 1993 and its shares are publicly traded in Boursa Kuwait. The Parent Company is registered in Commercial Register under No. 4991 dated 28th March 1993.

The main objectives of the Parent Company are as follows:

- ❖ Performing all support services for wells drilling, repairing and preparation for production as well as wells maintenance-related services.
- ❖ Establishing industrial firms for the purpose of manufacturing and producing the equipment and materials necessary for achieving such objectives after obtaining the approval of the competent authorities.
- ❖ Importing and owning machines, tools and materials necessary for achieving its objectives.
- ❖ Owning lands and real estate necessary for establishing its entities and equipment.
- ❖ Importing and exporting chemicals necessary for the execution of the works stated above.
- ❖ Concluding agreements and obtaining privileges which it deems necessary for the achieving its objectives.
- ❖ Possessing the required patents, and trademarks.
- ❖ Obtaining and granting agencies in respect of the Parent Company's business operations.
- ❖ Conducting studies, queries and researches relevant to the Parent Company's primary objectives.

1. Company Overview... Cont'd.

1.2 About the Company... Cont'd.

As of 31st December 2024, the detailed of the Group's subsidiaries are as follows:

Name of Entity	Principal Activities	Country of Incorporation	% Equity Interest	
			FY'24	FY'23
Directly held:				
Napesco International Petroleum Services S.P.C. ("Napesco International")	Drilling and maintenance of oil wells and chemical waste management	Kuwait	100%	100%
United Oil Projects Company K.S.C. (Closed)*	Petroleum activities	Kuwait	55.59%	52.92%
Indirectly held through Napesco International:				
Napesco India LLP ("Napesco India")	Support activities for petroleum and natural gas mining incidental to onshore and offshore oil and gas extraction.	India	99.99%	99.99%
Indirectly held through UOP:				
United Qmax Drilling Fluids Company – W.L.L.	Petroleum activities	Kuwait	100%	51%

*Note: * Under shares purchase agreements dated 30th January 2024, and August 25, 2024, between the Group's management and Qmax Solutions Inc., the Group acquired the remaining 49% ownership interest in United Qmax Drilling Fluids Company - W.L.L. (* formerly a 51%-owned joint venture of the Group) for a total consideration of KD 688,860, of which KD 153,802 was paid in cash during the current year, while KD 535,058 represents tax liabilities of the selling company, which the Group will assume.*

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Performance Analysis

3.1 Introduction

3.2 Performance Trends

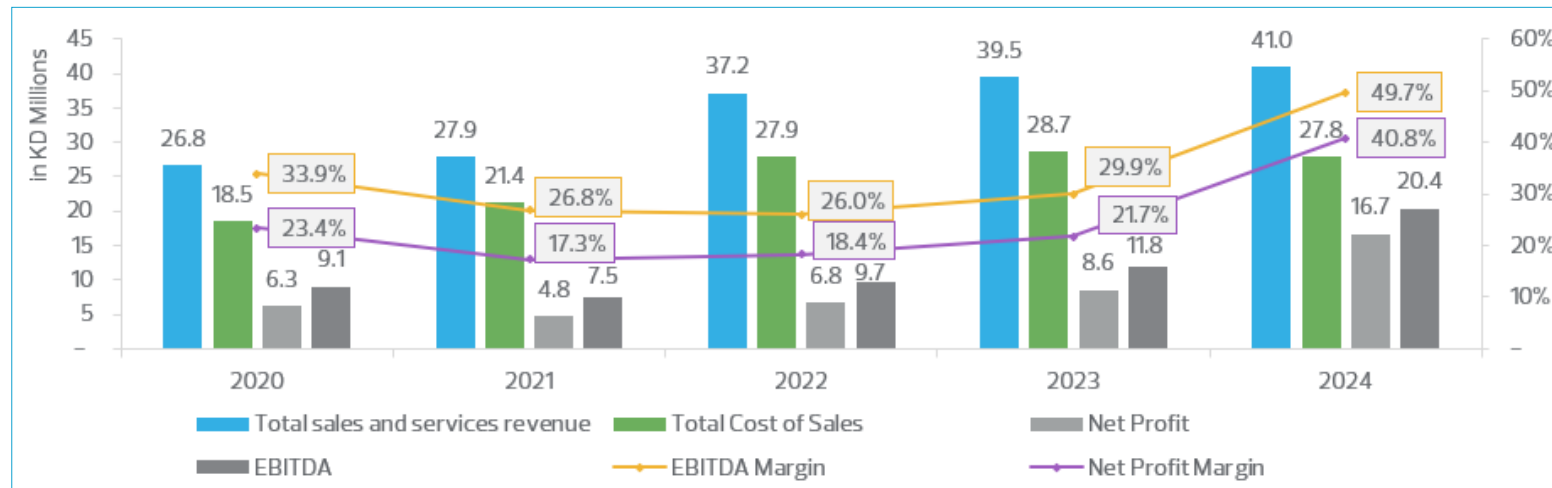
3. Performance Analysis... Cont'd.

3.1 Introduction

Operational performance measures how the NAPESCO performed in the past five-years, through conducting a comparison across the years between FY 2020 and FY 2024.

3.2 Performance Trends

I. Total Revenue and Profitability Trend for the last 5-Years:



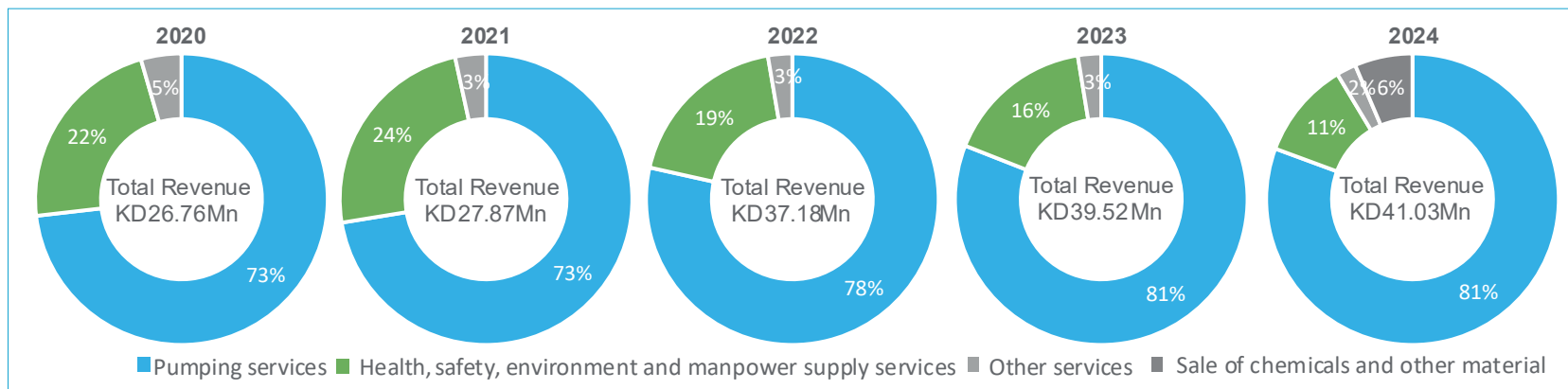
Source: Consolidated Audited Financial Statements

- Over the five-year period from FY'20 to FY'24, the Group demonstrated significant growth in key financial metrics. Total sales and services revenue increased at a CAGR of 11.3% to reach KD 41.03 million in FY'24, indicating a steady rise in business activity. The total cost of sales also grew, from KD 18.54 million in FY'20 to KD 27.85 million in FY'22, before declining slightly in FY'24 to KD 27.85 million, showing a more controlled approach to cost management.
- Net profit grew notably at a CAGR of 27.8%, from KD 6.27 million in FY'20 to KD 16.73 million in FY'24 (KD 13.42 attributable to parent company shareholders), reflecting efficient cost management and improved profitability. EBITDA also showed a strong upward trend, rising from KD 9.07 million in FY'20 to KD 20.39 million in FY'24, leading to a significant increase in EBITDA margin from 33.9% in FY'20 to 49.7% in FY'24, a clear sign of operational efficiency and cost control.
- The net profit margin also showed significant improvement, increasing from 23.4% in FY'20 to 40.8% in FY'24, indicating that the Group's profitability was significantly enhanced over the period, driven by revenue growth, improved cost control, and operational optimization.

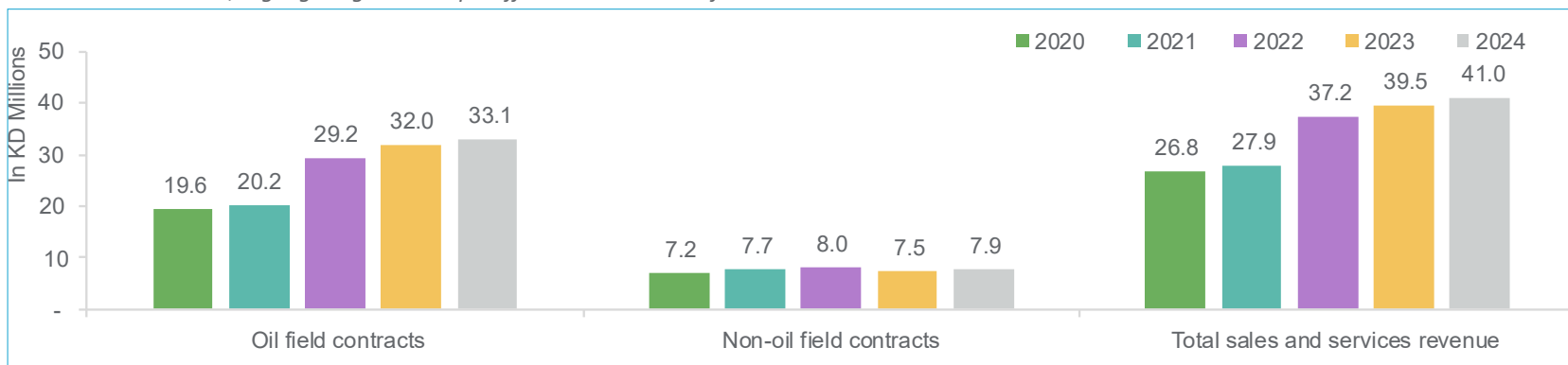
3. Performance Analysis... Cont'd.

3.2 Performance Trends... Cont'd.

II. Total Revenue Segment as a Percentage to Total Revenue in the last 5 Years:



The graph illustrates the Group's revenue segments over the past five years. Total revenue grew consistently at a CAGR of 11.3% from FY'20 to FY'24, reaching KD 41.03 million in FY'24. This growth was primarily driven by the expansion of pumping services, which increased from KD 19.58 million in FY'20 to KD 33.09 million in FY'24, as well as the introduction of a new revenue stream—sales of chemicals and other materials—which contributed KD 2.63 million in FY'24, highlighting the Group's efforts toward diversification.

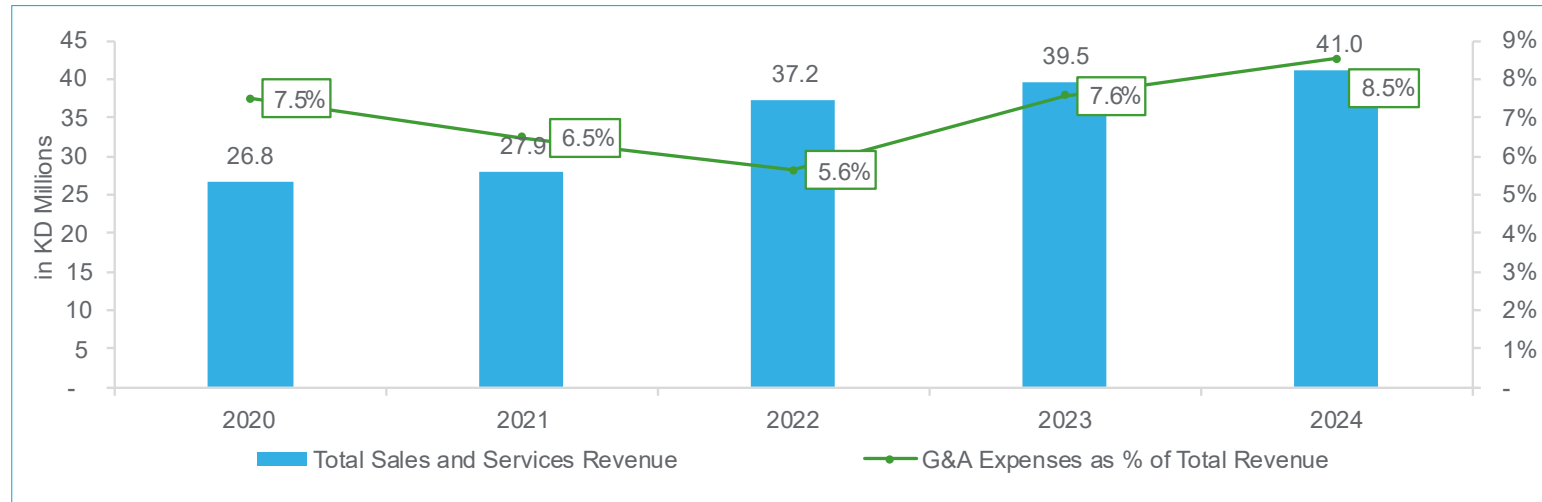


Source: Consolidated Audited Financial Statements

3. Performance Analysis... Cont'd.

3.2 Performance Trends... Cont'd.

III. General & Administrative (G&A) Expenses as a Percentage of Total Revenue in the last 5 years:



Source: Consolidated Audited Financial Statements

- General and administrative (G&A) expenses, primarily comprising staff costs, amortization of right-of-use assets, professional fees, marketing, business development expenses, charity expenses, depreciation expenses and other operational expenses, increased steadily over the five-year period, rising from KD 2.00 million in FY'20 to KD 3.50 million in FY'24.
- As a percentage of total revenue, G&A expenses declined from 7.5% in FY'20 to 5.6% in FY'22, indicating improved cost efficiency during that period. However, the ratio increased again to 7.6% in FY'23 and reached 8.5% in FY'24. This recent uptick may be attributed to higher staffing costs, professional fees, charity spending, and other administrative expenses.
- Despite overall revenue growth, controlling G&A expenses remains important for maintaining profitability margins.

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Consolidated Financial Statement Analysis

4.1 Balance Sheet Analysis

4.2 Income Statement Analysis

4.3 Cash Flow Statement Analysis

4.4 Ratio Analysis

4. Consolidated Financial Statement Analysis

Introduction

Financial statement analysis and its common sizing involve an examination of a Company’s financial statements in an attempt to evaluate the past performance of the company. The information comprising the balance sheet and income statement are analyzed as a means of monitoring and comparing the financial operating strength of the Company and aid in deciphering the financial status of the Company.

Statement of Financial Position (“Balance Sheet”)

Balance Sheet (in KD)	2020	%	2021	%	2022	%	2023	%	2024	%	CAGR
<u>Assets:</u>											
Non-current assets:											
Property, plant and equipment	10,214,560	21.1%	9,411,500	19.8%	12,322,241	23.2%	13,958,715	19.7%	15,929,009	20.0%	11.7%
Right-of-use assets	415,907	0.9%	239,654	0.5%	366,769	0.7%	277,018	0.4%	63,520	0.1%	(37.5%)
Investment in associate	-	-	-	-	-	-	16,615,128	23.5%	18,388,539	23.1%	NM
Investment in joint venture	-	-	-	-	-	-	1,601,491	2.3%	-	-	NM
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,172,720	1.7%	605,467	0.8%	NM
Due from a related party	-	-	-	-	-	-	17,579	0.0%	-	-	NM
Total non-current assets	10,630,467	22.0%	9,651,154	20.3%	12,689,010	23.9%	33,642,651	47.6%	34,986,535	43.9%	34.7%
Current assets:											
Inventories	5,022,820	10.4%	4,238,694	8.9%	5,479,455	10.3%	4,531,445	6.4%	6,438,266	8.1%	6.4%
Trade receivables and contract assets	14,297,308	29.6%	12,711,640	26.8%	13,366,220	25.1%	12,655,113	17.9%	11,275,938	14.2%	(5.8%)
Prepayments and other receivables	2,910,461	6.0%	4,236,730	8.9%	2,822,896	5.3%	2,248,937	3.2%	2,565,109	3.2%	(3.1%)
Financial assets at fair value through profit or loss	936,073	1.9%	1,406,279	3.0%	613,041	1.2%	613,823	0.9%	792	0.0%	(82.9%)
Due from a related party	-	-	-	-	-	-	260,572	0.4%	-	-	NM
Term deposits	12,500,000	25.9%	13,000,000	27.4%	16,000,000	30.1%	14,069,746	19.9%	19,116,683	24.0%	11.2%
Bank balances and cash	2,040,437	4.2%	2,195,814	4.6%	2,180,992	4.1%	2,660,961	3.8%	5,241,567	6.6%	26.6%
Total current assets	37,707,099	78.0%	37,789,157	79.7%	40,462,604	76.1%	37,040,597	52.4%	44,638,355	56.1%	4.3%
Total assets	48,337,566	100.0%	47,440,311	100.0%	53,151,614	100.0%	70,683,248	100.0%	79,624,890	100.0%	13.3%

4. Consolidated Financial Statement Analysis... Cont'd.

Statement of Financial Position ("Balance Sheet")... Cont'd.

Balance Sheet (in KD)	2020	%	2021	%	2022	%	2023	%	2024	%	CAGR
Equity and Liabilities:											
Equity:											
Share capital	10,000,000	20.7%	10,000,000	21.1%	10,000,000	18.8%	10,000,000	14.1%	10,000,000	12.6%	-
Share premium	3,310,705	6.8%	3,310,705	7.0%	3,310,705	6.2%	3,310,705	4.7%	3,310,705	4.2%	-
Treasury shares	(654,461)	(1.4%)	(654,461)	(1.4%)	(654,461)	(1.2%)	(6,002,371)	(8.5%)	(6,002,371)	(7.5%)	74.0%
Treasury shares reserve	33,825	0.1%	33,825	0.1%	33,825	0.1%	33,825	0.0%	33,825	0.0%	-
Statutory reserve	5,858,895	12.1%	5,858,895	12.4%	5,858,895	11.0%	5,858,895	8.3%	5,858,895	7.4%	-
Voluntary reserve	5,858,895	12.1%	5,858,895	12.4%	5,858,895	11.0%	5,858,895	8.3%	5,858,895	7.4%	-
Cumulative changes in fair values	-	-	-	-	-	-	-	-	(289,923)	(0.4%)	NM
Effect of changes in other comprehensive income of associates	-	-	-	-	-	-	-	-	33,952	0.0%	NM
Foreign currency translation reserve	6,503	0.0%	(8,072)	(0.0%)	(15,695)	(0.0%)	(15,259)	(0.0%)	(16,453)	(0.0%)	NM
Retained earnings	15,815,530	32.7%	14,442,021	30.4%	17,871,126	33.6%	22,639,857	32.0%	30,569,022	38.4%	17.9%
Equity attributable to equity holders of the Parent Company	40,229,892	83.2%	38,841,808	81.9%	42,263,290	79.5%	41,684,547	59.0%	49,356,547	62.0%	5.2%
Non-controlling interests	13	0.0%	14	0.0%	10	0.0%	14,281,592	20.2%	16,104,793	20.2%	3,236.2%
Total equity	40,229,905	83.2%	38,841,822	81.9%	42,263,300	79.5%	55,966,139	79.2%	65,461,340	82.2%	12.9%
Non-current liabilities:											
Employees end of service benefits	2,916,540	6.0%	3,023,880	6.4%	3,452,533	6.5%	2,779,532	3.9%	3,271,822	4.1%	2.9%
Lease liabilities	154,406	0.3%	71,463	0.2%	164,422	0.3%	53,867	0.1%	-	-	(100.0%)
Total non-current liabilities	3,070,946	6.4%	3,095,343	6.5%	3,616,955	6.8%	2,833,399	4.0%	3,271,822	4.1%	1.6%
Current liabilities:											
Accounts payable and accruals expenses	4,760,346	9.8%	5,325,550	11.2%	7,057,298	13.3%	11,650,349	16.5%	10,813,494	13.6%	22.8%
Due to a related party	-	-	-	-	-	-	-	-	14,093	0.0%	NM
Lease liabilities	276,369	0.6%	177,596	0.4%	214,061	0.4%	233,361	0.3%	64,141	0.1%	(30.6%)
Total current liabilities	5,036,715	10.4%	5,503,146	11.6%	7,271,359	13.7%	11,883,710	16.8%	10,891,728	13.7%	21.3%
Total liabilities	8,107,661	16.8%	8,598,489	18.1%	10,888,314	20.5%	14,717,109	20.8%	14,163,550	17.8%	15.0%
Total equity and liabilities	48,337,566	100.0%	47,440,311	100.0%	53,151,614	100.0%	70,683,248	100.0%	79,624,890	100.0%	13.3%

Source: Consolidated Audited Financial Statements

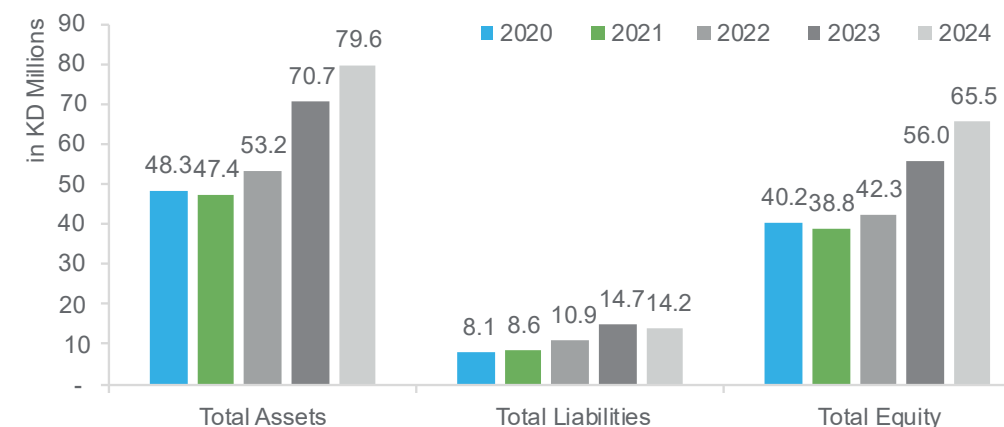
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4. Consolidated Financial Statement Analysis... Cont'd.

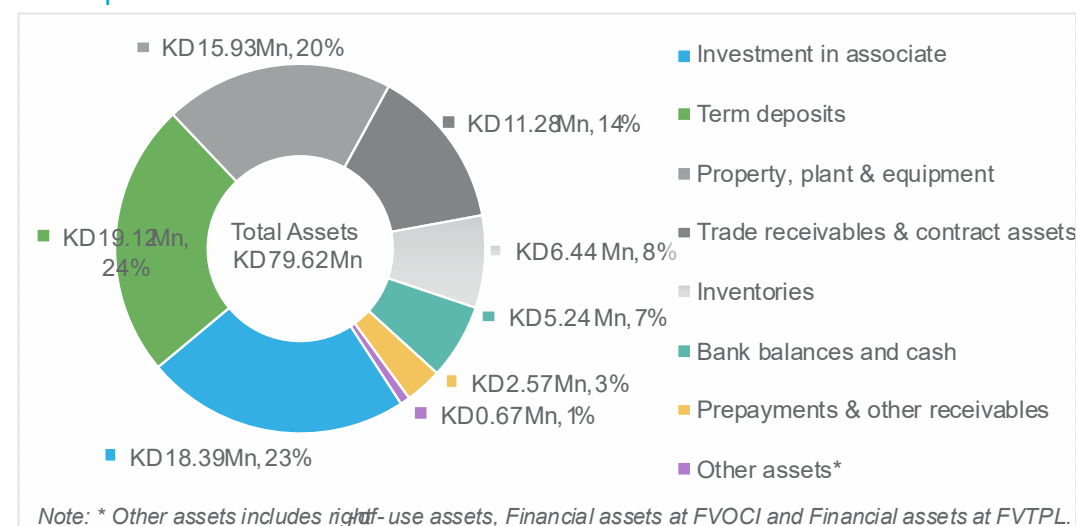
4.1 Balance Sheet Analysis

- The Group's total assets grew significantly at a CAGR of 13.3%, from KD 48.34 million in FY'20 to KD 79.62 million in FY'24, primarily driven by substantial growth in both non-current and current assets. Non-current assets saw a notable increase from KD 10.63 million to KD 34.99 million, largely due to expanded investments in property, plant, and equipment, which grew from KD 10.21 million in FY'20 to KD 15.93 million in FY'24, driven by addition and capital expenditures.
- Investments in associates and joint ventures became more prominent, with an investment of KD 16.62 million in FY'23 and a rise to KD 18.39 million in FY'24. In FY'24, investment in associates represent the following:
- On the current asset side, inventories increased from KD 5.02 million in FY'20 to KD 6.44 million in FY'24, while term deposits increased markedly from KD 12.50 million to KD 19.12 million over the same period, highlighting effective liquidity management. Although trade receivables and contract assets declined from KD 14.30 million in FY'20 to KD 11.28 million in FY'24, possibly due to improved collections or a shift in sales volumes, prepayments and other receivables also dropped from KD 2.91 million in FY'20 to KD 2.57 million in FY'24.
- The Group's cash and bank balances improved from KD 2.04 million to KD 5.24 million, contributing to a rise in total current assets from KD 37.71 million in FY'20 to KD 44.64 million in FY'24.

Assets vs Liabilities vs Equity



Break-up of Total Assets as of 31st December 2024 – KD 79.62 Million



4. Consolidated Financial Statement Analysis... Cont'd.

4.1 Balance Sheet Analysis... Cont'd.

- During the year ended 31st December 2024, the Group acquired control over the joint venture, and its ownership interest in the joint venture increased to 100%, as detailed below:

Name of Associate	Principal Activities	% of Ownership		Amount in KD	
		FY'23	FY'24	FY'23	FY'24
United Qmax Drilling Fluids Company W.L.L.	Petroleum activities	51%	100%	1,601,491	-
			Total	1,601,491	-

- The Group's total equity increased significantly, from KD 40.23 million in FY'20 to KD 65.46 million in FY'24, with a CAGR of 12.9%, primarily due to growth in retained earnings, which increased from KD 15.82 million in FY'20 to KD 30.57 million in FY'24. Non-controlling interests also saw a sharp rise, reaching KD 16.10 million in FY'24, largely due to contributions from newly acquired subsidiaries.
- Share capital remained unchanged at KD 10.00 million throughout the period.
- On the liabilities side, the Group's total liabilities increased from KD 8.11 million in FY'20 to KD 14.16 million in FY'24, largely due to higher accounts payable and accrued expenses, which increased from KD 4.76 million in FY'20 to KD 10.81 million in FY'24, as well as some fluctuations in lease liabilities and employee-related provisions.
- Non-current liabilities remained relatively stable, increasing slightly from KD 3.07 million in FY'20 to KD 3.27 million in FY'24, while lease liabilities declined significantly from KD 0.43 million in FY'20 to just KD 64,141 in FY'24, reflecting the settlement of leasing obligations.
- Despite the rise in liabilities, the robust growth in equity more than offset the increase, strengthening the Group's overall financial position.
- As of 31st December 2024, the Group has capital commitments relating to the purchase of property, plant and equipment amounting to KD 1.90 million (FY'23: KD 1.72 million). Additionally, the Group provided guarantees for the performance of certain contracts related to letters of guarantee (KD 34.80 million) and letters of guarantee (related to the Group's subsidiaries), amounting to KD 4.62 million (FY'23: KD 4.43 million).

4. Consolidated Financial Statement Analysis... Cont'd.

Statement of Activities ("Income Statement")

Income Statement (in KD)	2020	%	2021	%	2022	%	2023	%	2024	%	CAGR
Sales and services revenue	26,755,330	100.0%	27,871,171	100.0%	37,184,789	100.0%	39,522,799	100.0%	41,028,898	100.0%	11.3%
Cost of sales and services rendered	(18,541,736)	(69.3%)	(21,358,638)	(76.6%)	(27,854,616)	(74.9%)	(28,650,618)	(72.5%)	(27,846,584)	(67.9%)	10.7%
Gross profit	8,213,594	30.7%	6,512,533	23.4%	9,330,173	25.1%	10,872,181	27.5%	13,182,314	32.1%	12.6%
Interest income	373,041	1.4%	275,228	1.0%	290,958	0.8%	870,811	2.2%	567,028	1.4%	11.0%
Net investments income (loss)	35,639	0.1%	(111,536)	(0.4%)	(442,647)	(1.2%)	60,881	0.2%	44,958	0.1%	6.0%
Other income	66,488	0.2%	295,899	1.1%	415,115	1.1%	236,379	0.6%	261,665	0.6%	40.8%
Gain on acquisition of a subsidiary	-	-	-	-	-	-	-	-	2,606,240	6.4%	NM
Group's share of results from associates	-	-	-	-	-	-	-	-	2,436,388	5.9%	NM
Group's share of results from joint venture	-	-	-	-	-	-	-	-	2,159,378	5.3%	NM
Provision for expected credit loss (charged) no longer required	-	-	-	-	(214,123)	(0.6%)	75,656	0.2%	(243,200)	(0.6%)	NM
General and administrative expenses	(2,002,685)	(7.5%)	(1,808,262)	(6.5%)	(2,092,332)	(5.6%)	(2,992,530)	(7.6%)	(3,502,498)	(8.5%)	15.0%
Profit before tax and directors' remuneration	6,686,077	25.0%	5,163,862	18.5%	7,287,144	19.6%	9,123,378	23.1%	17,512,273	42.7%	27.2%
KFAS	(66,861)	(0.2%)	(51,639)	(0.2%)	(72,871)	(0.2%)	(91,234)	(0.2%)	(107,270)	(0.3%)	12.5%
NLST	(178,693)	(0.7%)	(143,052)	(0.5%)	(200,514)	(0.5%)	(214,130)	(0.5%)	(390,296)	(1.0%)	21.6%
Zakat	(71,477)	(0.3%)	(57,221)	(0.2%)	(80,369)	(0.2%)	(85,652)	(0.2%)	(119,070)	(0.3%)	13.6%
Director's remuneration	(100,000)	(0.4%)	(77,458)	(0.3%)	(109,289)	(0.3%)	(136,851)	(0.3%)	(169,381)	(0.4%)	14.1%
Profit	6,269,046	23.4%	4,834,492	17.3%	6,824,101	18.4%	8,595,511	21.7%	16,726,256	40.8%	27.8%
Attributable to:											
The Parent Company's Shareholders	6,269,048	23.4%	4,834,491	17.3%	6,824,105	18.4%	8,595,516	21.7%	13,424,081	32.7%	21.0%
Non-controlling interests	(2)	(0.0%)	1	0.0%	(4)	(0.0%)	(5)	(0.0%)	3,302,175	8.0%	NM
	6,269,046	23.4%	4,834,492	17.3%	6,824,101	18.4%	8,595,511	21.7%	16,726,256	40.8%	27.8%

Source: Consolidated Audited Financial Statements

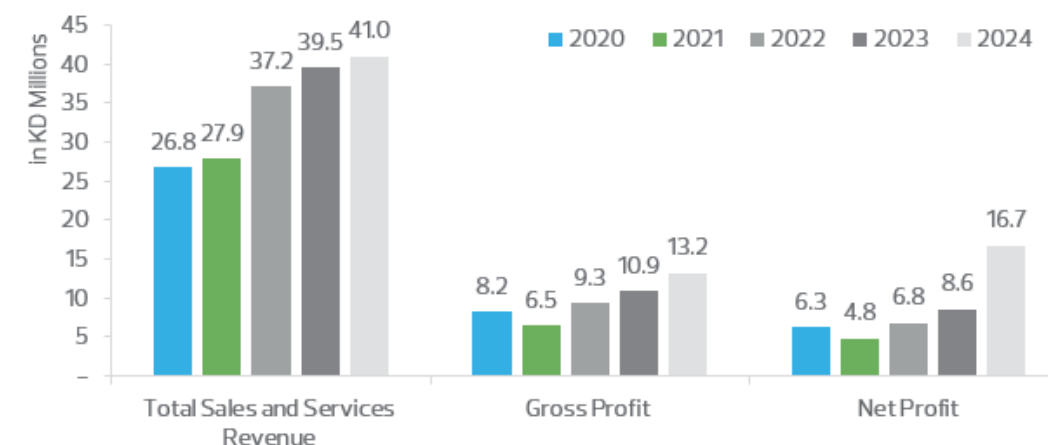
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4. Consolidated Financial Statement Analysis... Cont'd.

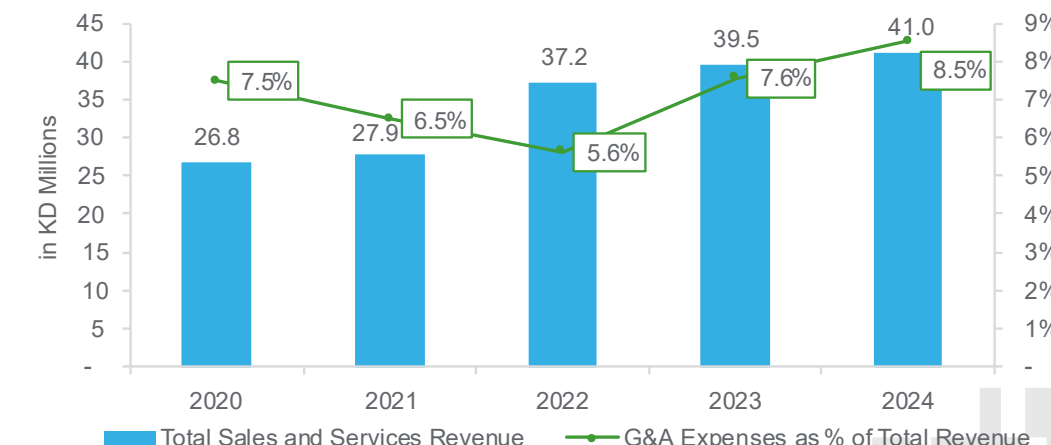
4.2 Income Statement Analysis

- Over the five-year period, the Group achieved robust top-line growth, with Sales and Services Revenue grew at a CAGR of 11.3%, from KD 26.76 million in FY'20 to KD 41.03 million in FY'24, driven by higher demand for oil filed contracts (pumping services) as well as the sale of chemicals and other material.
- Despite rising revenue, Cost of Sales and Services rendered grew at a slower pace, from KD 18.54 million in FY'20 to KD 27.85 million in FY'24. This drive a significant increase in Gross Profit, nearly doubling from KD 8.21 million in FY'20 to KD 13.18 million in FY'24. Gross margins improved from 30.7% in FY'21 to 32.1% in FY'24, reflecting better operational efficiency and cost containment.
- In recent years, Other Income streams gained prominence. Interest Income remained stable from FY'20 and FY'22, then increased to KD 0.87 million in FY'23 before slightly declining to KD 0.57 million in FY'24.
- In FY'22, the Group recorded a Net Investment Loss of KD 0.44 million due to changes in the fair value of financial assets. However, it rebounded in subsequent years, posting gains of KD 60,881 in FY'23 and KD 44,958 in FY'24. Additionally, a one-time Gain on Acquisition of a Subsidiary (KD 2.61 million), and contributions from associates and joint ventures totaling KD 4.60 million in FY'24, boosted non-operating income in FY'24
- General and Administrative expenses increased from KD 2.00 million in FY'20 to KD 3.50 million in FY'24, mainly due to higher staff costs, professional fees, charity contributions, and other operational expenses.
- The Group's Net Profit grew at a CAGR of 27.8%, from KD 6.27 million in FY'20 to KD 16.73 million in FY'24, reflecting successful expansion and operational optimization. Notably, Net Profit Attributable to the Parent Company's Shareholders reached KD 13.42 million in FY'24, while non-controlling interests accounted for KD 3.30 million, driven by contributions from newly acquired subsidiaries.

Revenue vs Gross Profit vs Net Profit



G&A Expenses as a Percentage of Total Revenue



4. Consolidated Financial Statement Analysis... Cont'd.

Cash Flow Statement

Cash Flow Statement (in KD)	2020	2021	2022	2023	2024	Total
Cash flows from operating activities:						
Profit before tax and directors' remuneration	6,586,077	5,086,404	7,177,855	8,986,527	17,342,892	45,179,755
Adjustments for:						
Depreciation expense	2,124,989	2,096,059	2,183,024	2,535,625	2,844,830	11,784,527
Amortization of right-of-use assets	353,959	274,824	303,331	311,752	206,000	1,449,866
Gain on sale of property, plant and equipment	(24,045)	(239,698)	(94,198)	(63,783)	(115,081)	(536,805)
Retirement of property, plant and equipment	-	-	-	59,548	47	59,595
Gain on termination of lease	-	(312)	-	-	(537)	(849)
Provision for slow moving and obsolete inventory	-	349,510	586,517	(44,161)	25,260	917,126
Group's share of results from associates	-	-	-	-	(2,436,388)	(2,436,388)
Group's share of results from joint venture	-	-	-	-	(2,159,378)	(2,159,378)
Provision for expected credit losses charged (no longer required)	106,006	-	214,123	(75,656)	243,200	487,673
Income from governments grants	(428,287)	-	-	-	-	(428,287)
Dividend income	(31,272)	(26,258)	(49,154)	(60,099)	(41,989)	(208,772)
Realized gain on sale of financial assets at fair value through profit or loss	(9,059)	-	(10,063)	-	(2,500)	(21,622)
Unrealized loss on financial assets at fair value through profit or loss	4,692	137,794	501,864	(782)	(469)	643,099
Interest income	(373,041)	(275,228)	(290,958)	(870,811)	(567,028)	(2,377,066)
Interest expense on lease liabilities	45,889	23,019	33,785	21,140	9,726	133,559
Net foreign exchange differences	29,029	(26,941)	52,377	26,600	22,372	103,437
Provision for employees' end of service benefits	461,658	558,230	784,372	610,253	801,611	3,216,124
Gain on acquisition of a subsidiary	-	-	-	-	(2,606,240)	(2,606,240)
	8,846,595	7,957,403	11,392,875	11,436,153	13,566,328	53,199,354

4. Consolidated Financial Statement Analysis... Cont'd.

Cash Flow Statement... Cont'd.

Cash Flow Statement (in KD)	2020	2021	2022	2023	2024	Total
Changes in operating assets and liabilities:						
Inventories	(1,079,310)	434,616	(1,827,278)	1,546,902	(938,833)	(1,863,903)
Trade receivables and contract assets	(2,917,099)	1,585,668	(868,703)	1,264,341	3,777,532	2,841,739
Net movement in due from/due to related parties	-	-	-	-	1,597,250	1,597,250
Prepayments and other receivables	(1,113,330)	(1,299,028)	1,290,535	746,253	(269,220)	(644,790)
Accounts payable and accruals	401,369	508,839	1,573,468	(374,204)	(131,580)	1,977,892
Cash flows generated from operations	4,138,225	9,187,498	11,560,897	14,619,445	17,601,477	57,107,542
Employee's end of service benefits paid	(171,653)	(450,890)	(355,719)	(1,698,784)	(365,161)	(3,042,207)
Taxes paid	(567,074)	(322,458)	(248,767)	(355,582)	(432,427)	(1,926,308)
Receipt of government grants	428,287	-	-	-	-	428,287
Net cash flows generated from operating activities	3,827,785	8,414,150	10,956,411	12,565,079	16,803,889	52,567,314

4. Consolidated Financial Statement Analysis... Cont'd.

Cash Flow Statement... Cont'd.

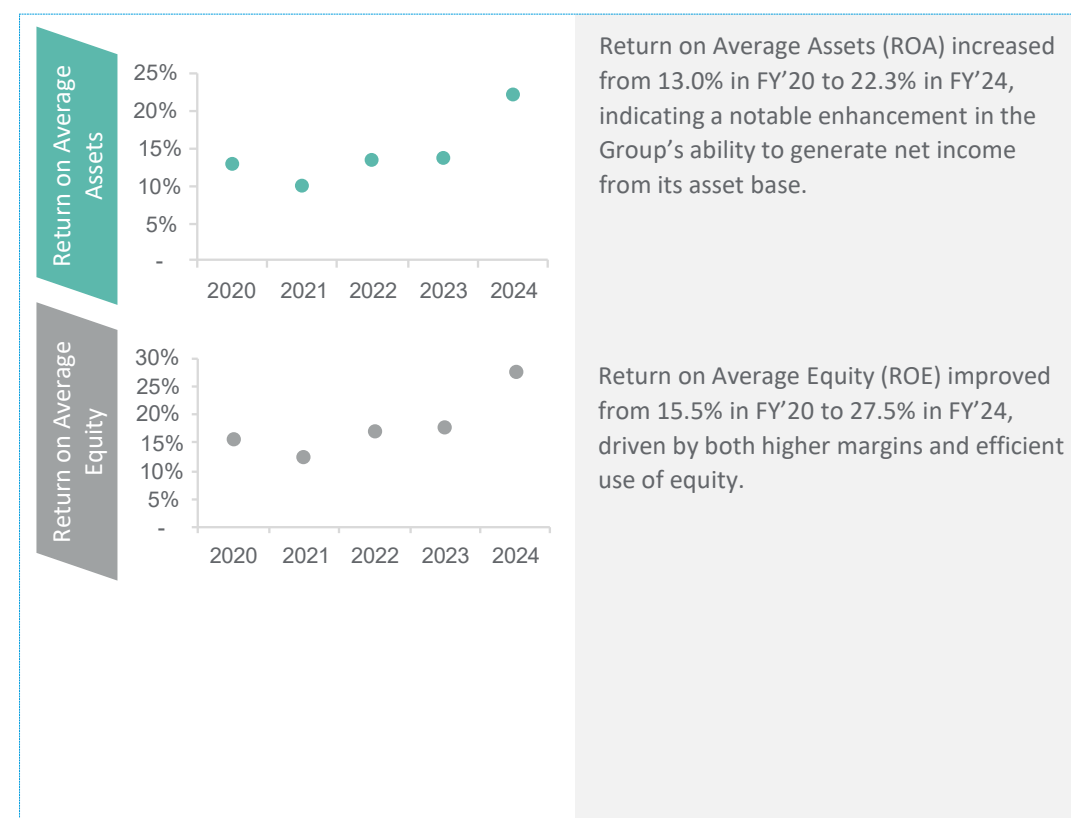
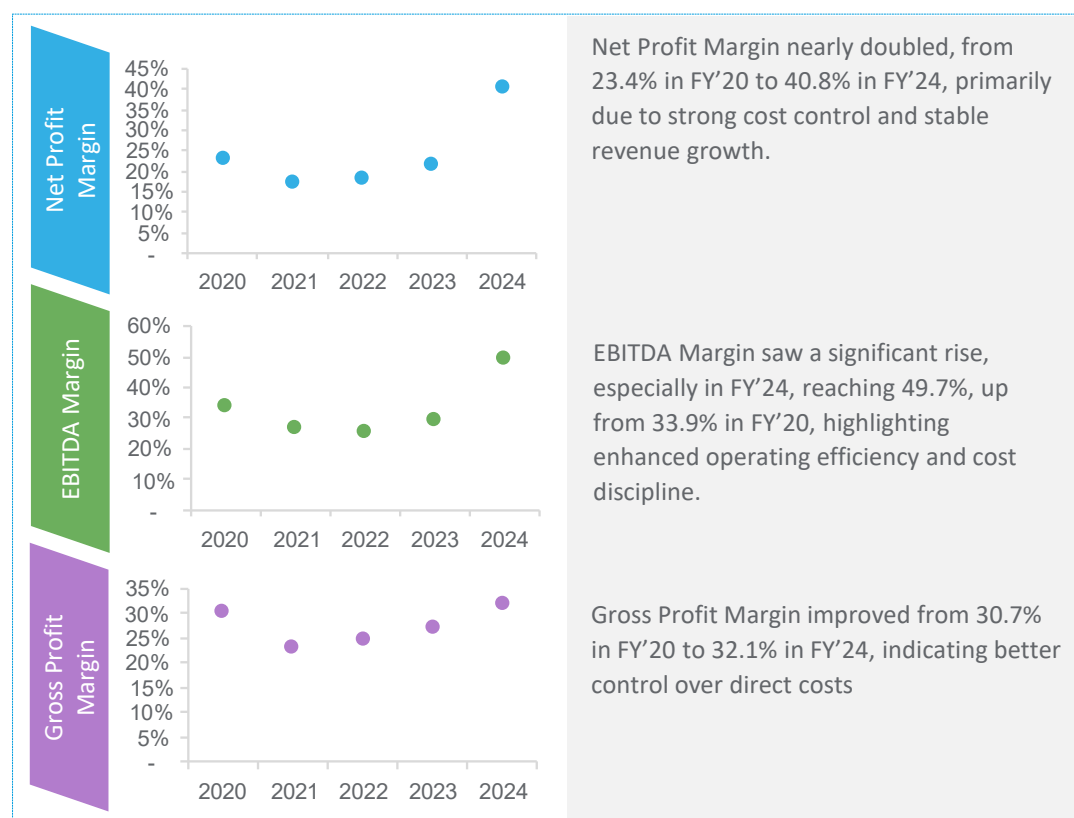
Cash Flow Statement (in KD)	2020	2021	2022	2023	2024	Total
Cash flows from investing activities:						
Purchase of property, plant and equipment	(1,154,342)	(1,293,046)	(5,215,724)	(3,774,990)	(3,014,637)	(14,452,739)
Paid for purchase of additional ownership interest in a subsidiary	-	-	-	-	(620,304)	(620,304)
Cash paid for acquisition of a subsidiary	-	-	-	(11,500,000)	(3,683,722)	(15,183,722)
Paid for purchase of investments in associates	-	-	-	-	(675,371)	(675,371)
Purchase of financial assets at fair value through profit or loss	-	(608,000)	(619,900)	-	-	(1,227,900)
Proceeds from sale of property, plant and equipment	24,045	239,745	216,157	63,783	115,336	659,066
Proceeds from recovery of financial assets at FVTPL	151,610	-	921,337	-	616,000	1,688,947
Proceeds from sale of financial assets at FVOCI	-	-	-	-	20,110	20,110
Dividend income received	31,272	26,258	49,154	60,099	41,989	208,772
Dividend received from associates	-	-	-	-	1,402,505	1,402,505
Dividend received from joint venture	-	-	-	-	159,038	159,038
Cash related to a consolidated subsidiary	-	-	-	1,357,272	2,180,229	3,537,501
Interest income received	296,322	247,987	414,258	848,183	520,076	2,326,826
Net movement in term deposits	3,412,000	(500,000)	(3,000,000)	6,000,000	(5,046,937)	865,063
Net cash flows generated from (used in) investing activities	2,760,907	(1,887,056)	(7,234,718)	(6,945,653)	(7,985,688)	(21,292,208)
Cash flow from financing activities:						
Cash dividends paid to the Parent Company's Shareholders	(6,673,848)	(6,054,150)	(3,394,085)	(4,804,960)	(5,350,353)	(26,277,396)
Payment of lease liabilities	(394,272)	(302,992)	(334,807)	(334,933)	(223,040)	(1,590,044)
Cash dividends paid to non-controlling interests	-	-	-	-	(663,008)	(663,008)
Net cash used in financing activities	(7,068,120)	(6,357,142)	(3,728,892)	(5,139,893)	(6,236,401)	(28,530,448)
Net increase (decrease) in bank balances and cash	(479,428)	169,952	(7,199)	479,533	2,581,800	2,744,658
Foreign currency translation adjustment	(1,915)	(14,575)	(7,623)	436	(1,194)	(24,871)
Bank balances and cash at the beginning of the year	2,521,780	2,040,437	2,195,814	2,180,992	2,660,961	2,521,780
Bank balances and cash at the end of the year	2,040,437	2,195,814	2,180,992	2,660,961	5,241,567	5,241,567

4. Consolidated Financial Statement Analysis... Cont'd.

4.4 Ratio Analysis

Profitability Ratios:

Profitability ratios evaluate the Company's ability to generate revenues compared to its expenses and other costs incurred during a specific period.

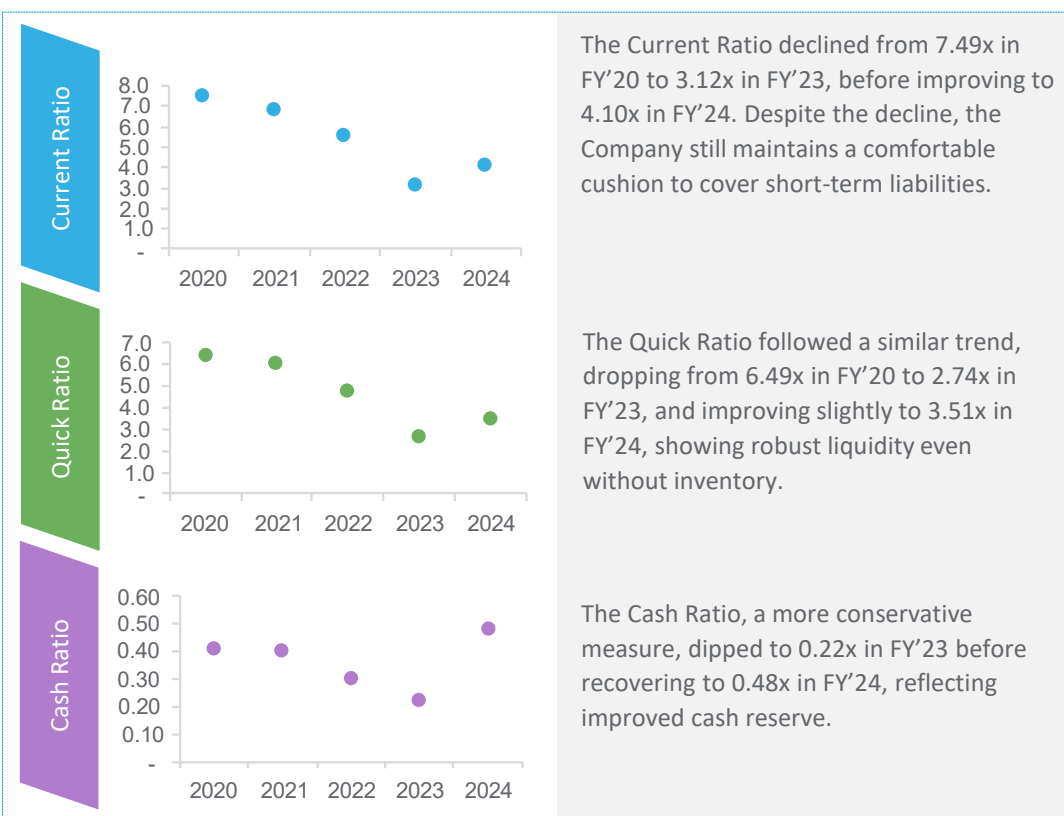


4. Consolidated Financial Statement Analysis... Cont'd.

4.4 Ratio Analysis... Cont'd.

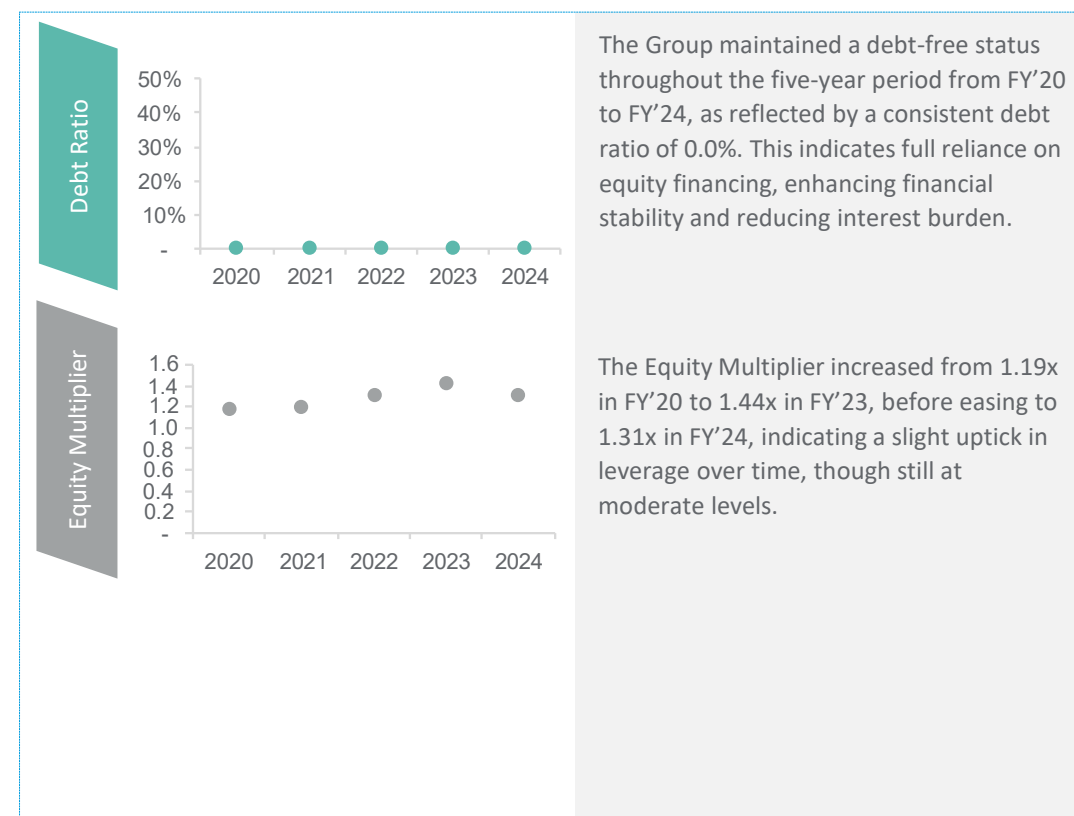
Liquidity Ratios:

Liquidity ratios measure a Company's ability to pay its debt obligations.



Solvency Ratios:

Solvency ratios indicate the ability of the Company to meet its short-term and long-term obligations.

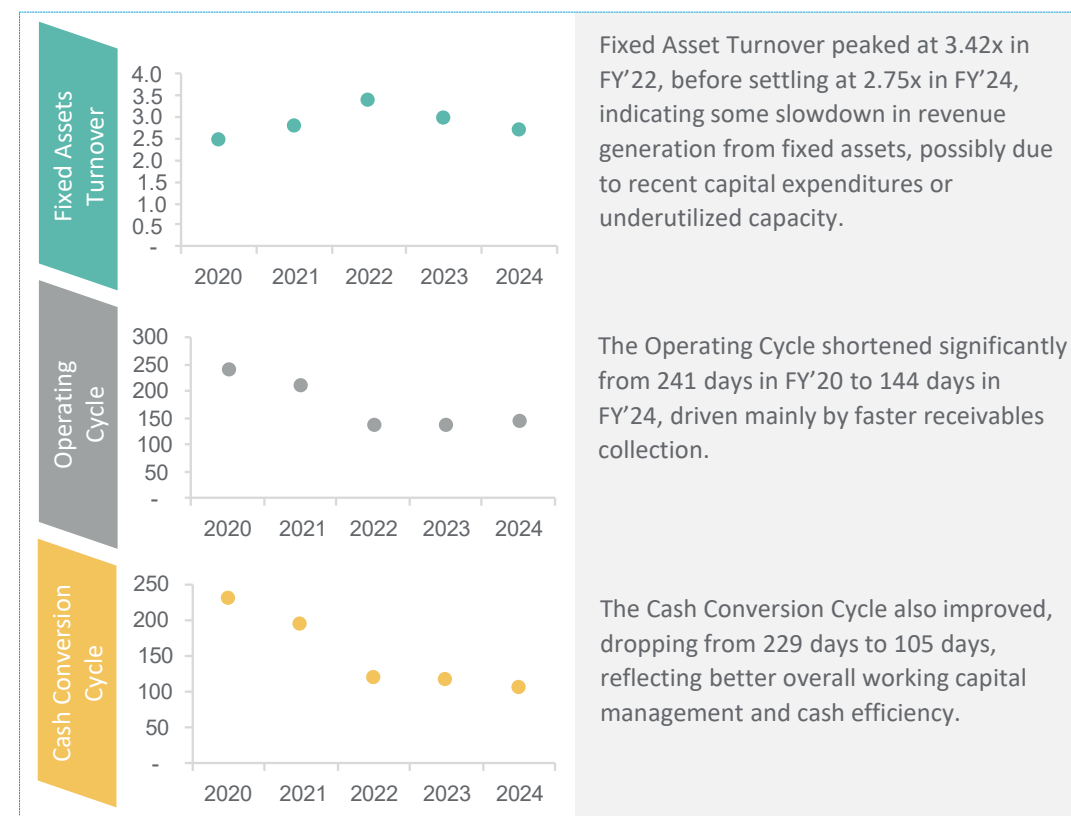
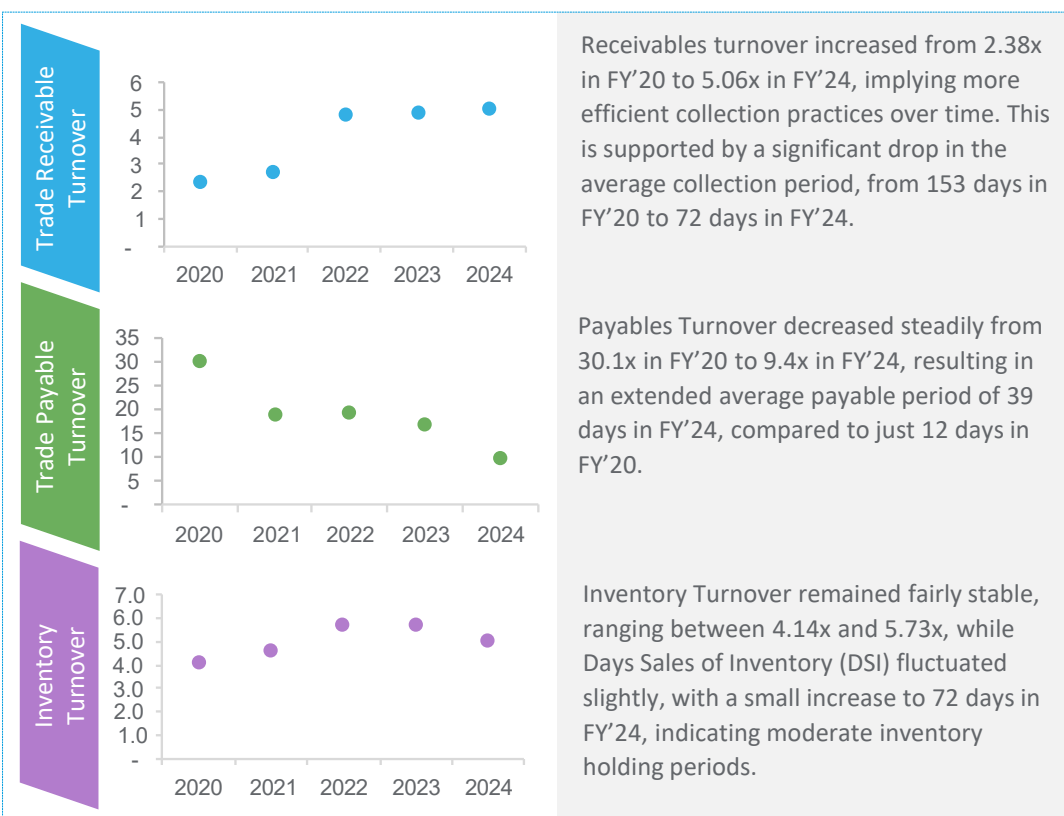


4. Consolidated Financial Statement Analysis... Cont'd.

4.4 Ratio Analysis... Cont'd.

Efficiency Ratios:

Efficiency ratios measure as Company's ability to convert different accounts within its balance sheet into cash or sales.



Executive Management
Napesco Kuwait

Shuaiba West Industrial Area
Block 3, Plot# 76