

**NATIONAL PETROLEUM SERVICES COMPANY - K.S.C.P.  
AND ITS SUBSIDIARIES  
STATE OF KUWAIT  
INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE PERIOD ENDED JUNE 30, 2023  
(UNAUDITED)  
WITH  
REPORT ON REVIEW OF INTERIM CONDENSED  
CONSOLIDATED FINANCIAL INFORMATION**

NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES  
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED JUNE 30, 2023  
(UNAUDITED)  
WITH  
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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**RSM Albazie & Co.**

Arraya Tower 2, Floors 41 & 42  
Abdulaziz Hamad Alsaqar St., Sharq  
P.O. Box 2115, Safat 13022, State of Kuwait

T +965 22961000

F +965 22412761

[www.rsm.global/kuwait](http://www.rsm.global/kuwait)**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors  
National Petroleum Services Company K.S.C.P. and its Subsidiaries  
State of Kuwait

**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 its subsidiaries ("the Group") as at June 30, 2023, and the interim condensed consolidated statements of profit or loss and other comprehensive income for the three and six month periods then ended, and statements of changes in equity and cash flows for the three 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". 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 Condensed Consolidated 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.

**Other Matter**

The interim condensed consolidated financial information for the three months and six months period ended June 30, 2022 and the consolidated financial statements for the year ended December 31, 2022, have been reviewed / audited by another auditor who expressed conclusion / unqualified opinion on August 10, 2022 and March 16, 2023, respectively.


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**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 and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the six month period ended June 30, 2023, that might have had a material effect on the business or financial position of the Parent Company.

Also, based on our review, we have not become aware of any material violations of Law No. 7 of 2010 concerning the Establishment of the Capital Markets Authority and Regulating Securities Activities, and its Executive Regulations, as amended during the period ended June 30, 2023, that might have had a material effect on the Parent Company's financial position or results of its operations.

State of Kuwait  
August 9, 2023

A blue ink signature of Nayef M. Al Bazie, consisting of a stylized 'N' and 'B' connected by a horizontal line.

Nayef M. Al Bazie  
License No. 91-A  
RSM Albazie & Co.

NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS OF JUNE 30, 2023  
(All amounts are in Kuwaiti Dinar)

	Notes	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment		12,777,423	12,322,241	9,677,307
Right-of-use assets		320,535	366,769	524,413
<b>Total non-current assets</b>		<b>13,097,958</b>	<b>12,689,010</b>	<b>10,201,720</b>
<b>Current assets:</b>				
Inventories		4,896,426	5,479,455	5,019,291
Trade receivables and contract assets	3	10,896,522	13,366,220	14,180,404
Prepayments and other debit balances	4	3,519,506	2,822,896	5,636,903
Financial assets at fair value through profit or loss		614,507	613,041	918,897
Term deposits	5	16,500,000	16,000,000	11,000,000
Bank balances and cash		2,458,942	2,180,992	1,780,327
<b>Total current assets</b>		<b>38,885,903</b>	<b>40,462,604</b>	<b>38,535,822</b>
<b>Total assets</b>		<b>51,983,861</b>	<b>53,151,614</b>	<b>48,737,542</b>
<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	6	(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		(14,904)	(15,695)	(12,147)
Retained earnings		16,860,672	17,871,126	14,023,854
<b>Equity attributable to shareholders of the Parent Company</b>		<b>41,253,627</b>	<b>42,263,290</b>	<b>38,419,566</b>
Non-controlling interests		10	10	14
<b>Total equity</b>		<b>41,253,637</b>	<b>42,263,300</b>	<b>38,419,580</b>
<b>Non-current liabilities:</b>				
Provision for employees' end of service benefits	7	3,230,540	3,452,533	3,255,436
Lease liabilities		89,856	164,422	255,157
<b>Total non-current liabilities</b>		<b>3,320,396</b>	<b>3,616,955</b>	<b>3,510,593</b>
<b>Current liabilities:</b>				
Account payables and accrued expenses	8	7,167,959	7,057,298	6,526,593
Lease liabilities		241,869	214,061	280,776
<b>Total current liabilities</b>		<b>7,409,828</b>	<b>7,271,359</b>	<b>6,807,369</b>
<b>Total liabilities</b>		<b>10,730,224</b>	<b>10,888,314</b>	<b>10,317,962</b>
<b>Total equity and liabilities</b>		<b>51,983,861</b>	<b>53,151,614</b>	<b>48,737,542</b>

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

  
Sheikh Sabah Mohammad Abdulaziz Al Sabah  
Chairman

  
Mr. Khaled Hamdan Al Saif  
Chief Executive Officer

**NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2023**  
(All amounts are in Kuwaiti Dinar)

	Notes	Three months ended June 30		Six months ended June 30	
		2023	2022	2023	2022
Sales and services revenue	9	9,315,775	9,564,580	19,393,576	16,540,440
Cost of sales and services rendered		(7,232,037)	(6,872,189)	(14,442,916)	(12,375,408)
<b>Gross profit</b>		<b>2,083,738</b>	<b>2,692,391</b>	<b>4,950,660</b>	<b>4,165,032</b>
Interest income		238,329	44,620	432,187	115,160
Investment income (loss)	10	16,313	(475,294)	30,410	(453,894)
Other income		15,538	186,267	5,200	217,226
Provision for expected credit loss no longer required	3 – a	75,657	-	75,657	-
General and administrative expenses	11	(685,294)	(361,674)	(1,384,811)	(871,455)
<b>Profit for the period before tax and Board of Directors' remuneration</b>		<b>1,744,281</b>	<b>2,086,310</b>	<b>4,109,303</b>	<b>3,172,069</b>
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(17,442)	(20,786)	(41,093)	(31,644)
National Labor Support Tax (NLST)		(54,686)	(48,715)	(119,303)	(80,549)
Zakat		(21,874)	(23,235)	(47,721)	(35,969)
Board of Directors' remuneration		(26,164)	(30,788)	(61,640)	(47,074)
<b>Profit for the period</b>		<b>1,624,115</b>	<b>1,962,786</b>	<b>3,839,546</b>	<b>2,976,833</b>
<b>Profit for the period attributable to the Parent Company's Shareholders</b>		<b>1,624,115</b>	<b>1,962,786</b>	<b>3,839,546</b>	<b>2,976,833</b>
Other comprehensive income (other comprehensive loss) for the period: <u>Item that may be reclassified subsequently to the interim condensed consolidated statement profit or loss:</u>					
Foreign currency translation adjustments		301	(4,075)	791	(4,075)
<b>Total comprehensive income for the period</b>		<b>1,624,416</b>	<b>1,958,711</b>	<b>3,840,337</b>	<b>2,972,758</b>
<b>Total comprehensive income attributable to the Parent Company's shareholders</b>		<b>1,624,416</b>	<b>1,958,711</b>	<b>3,840,337</b>	<b>2,972,758</b>
Basic and diluted earnings per share attributable to the Parent Company's Shareholders (Fils)	12	16.74	20.23	39.58	30.69

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

**NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2023**  
(All amounts are in Kuwaiti Dinar)

	Equity attributable to Shareholders of the Parent Company								Non- controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Treasury shares reserve	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Retained earnings	Subtotal	
As at January 1, 2023	10,000,000	3,310,705	(654,461)	33,825	5,858,895	5,858,895	(15,695)	17,871,126	42,263,290	42,263,300
Total comprehensive income for the period	-	-	-	-	-	-	791	3,839,546	3,840,337	3,840,337
Cash dividends (Note 13)	-	-	-	-	-	-	-	(4,850,000)	(4,850,000)	(4,850,000)
<b>As at June 30, 2023</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>(14,904)</b>	<b>16,860,672</b>	<b>41,253,627</b>	<b>41,253,637</b>
As at January 1, 2022	10,000,000	3,310,705	(654,461)	33,825	5,858,895	5,858,895	(8,072)	14,442,021	38,841,808	38,841,822
Total (comprehensive loss) for the period	-	-	-	-	-	-	(4,075)	2,976,833	2,972,758	2,972,758
Cash dividends (Note 13)	-	-	-	-	-	-	-	(3,395,000)	(3,395,000)	(3,395,000)
<b>As at June 30, 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>(12,147)</b>	<b>14,023,854</b>	<b>38,419,566</b>	<b>38,419,580</b>

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.



**NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2023**  
(All amounts are in Kuwaiti Dinar)

		Six months ended June 30	
	Notes	2023	2022
<b>Cash flows from operating activities:</b>			
Profit for the period before tax and after Board of Directors' remuneration		4,047,663	3,124,995
<u>Adjustments to reconcile profit before tax and after Board of Directors' remuneration:</u>			
Depreciation expense		1,207,728	1,063,192
Amortization of right-of-use assets		162,422	145,687
Gain on sale of property, plant and equipment		-	(33,890)
Retirement of property, plant and equipment		59,548	-
Provision for slow moving inventories		(72,615)	-
Provision for expected credit loss no longer required	3 – a	(75,657)	-
Dividends income	10	(28,944)	(33,488)
Change in fair value of financial assets at fair value through profit or loss	10	(1,466)	487,382
Interest income		(432,187)	(115,160)
Net foreign exchange differences		3,443	56,613
Interest expense on lease liabilities	11	12,672	17,283
Provision for employees' end of service benefits	7	331,497	467,067
		<u>5,214,104</u>	<u>5,179,681</u>
Change in working capital:			
Inventories		655,644	(780,597)
Trade receivables and contract assets		2,545,355	(1,468,764)
Prepayments and other debit balances		(542,406)	(1,536,570)
Account payables and accrued expenses		191,380	1,143,740
Cash flows generated from operations		<u>8,064,077</u>	<u>2,537,490</u>
Payment for employees' end of service benefits	7	(553,490)	(235,511)
Taxes paid		(354,555)	(188,263)
<b>Net cash flows generated from operating activities</b>		<u>7,156,032</u>	<u>2,113,716</u>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(1,722,458)	(1,335,389)
Proceeds from sale of property, plant and equipment		-	40,280
Dividend income received	10	28,944	33,488
Interest income received		277,983	251,557
Net movement in term deposits		(500,000)	2,000,000
<b>Net cash flows (used in) generated from investing activities</b>		<u>(1,915,531)</u>	<u>989,936</u>
<b>Cash flows from financing activities:</b>			
Dividends paid		(4,787,724)	(3,354,209)
Payment of lease liabilities		(175,618)	(160,855)
<b>Net cash flows used in financing activities</b>		<u>(4,963,342)</u>	<u>(3,515,064)</u>
Foreign currency translation adjustments		<u>791</u>	<u>(4,075)</u>
Net increase (decrease) in bank balances and cash		277,950	(415,487)
Bank balances and cash at the beginning of the period		2,180,992	2,195,814
Bank balances and cash at the end of the period		<u>2,458,942</u>	<u>1,780,327</u>
<b>Non-cash items excluded for the interim condensed consolidated statement of cash flows:</b>			
Additions to right of use assets		(116,188)	(430,446)
Additions to lease liabilities		116,188	430,446

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.



**1- Incorporation and activities**

National Petroleum Services Company - K.S.C.P. (the "Parent Company") is a Kuwaiti Public Shareholding Company incorporated on January 3, 1993, and its shares are publicly traded in Boursa Kuwait. The Parent Company is registered in the Commercial Register under No. 49911 dated March 28, 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 facilities 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 main objectives.

The Parent Company may carry out all of the above-mentioned activities inside the State of Kuwait or abroad. The Parent Company may also have an interest or participate in any way with entities practicing activities similar to its own or which may assist it in achieving its objectives inside the State of Kuwait or abroad, or may acquire or affiliated those entities.

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 interim condensed consolidated financial information was authorized for issue by the Parent Company's Board of Directors on August 9, 2023.

**2- Basis of presentation**

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of this interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2022.

The Group has not early adopted any other standard, interpretation or amendments that has been issued but is not effective. Other amendments and interpretations which are effective for the first time in January 1, 2023, do not have material impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation of interim condensed consolidated financial information have been included. Operating results for the period ended June 30, 2023, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

**NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**JUNE 30, 2023**  
(All amounts are in Kuwaiti Dinar)

3- Trade receivables and contract assets

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Trade receivables	6,817,902	7,424,130	8,109,860
Contract assets	4,197,610	6,362,219	6,276,550
Less: provision for expected credit losses (a)	(118,990)	(420,129)	(206,006)
	<u>10,896,522</u>	<u>13,366,220</u>	<u>14,180,404</u>

(a) Provision for expected credit losses:

Movement in provision for expected credit losses during the period / year is as follows:

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Balance at the beginning of the period / year	420,129	206,006	206,006
Charged during the period / year	-	214,123	-
Provision no longer required	(75,657)	-	-
Utilized during the period / year	(225,482)	-	-
Balance at the end of the period / year	<u>118,990</u>	<u>420,129</u>	<u>206,006</u>

4- Prepayments and other debit balances

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Advance payments to suppliers	2,083,763	1,106,248	3,562,055
Staff receivables	391,933	386,329	379,838
Deposits and other debit balances	1,043,810	1,330,319	1,695,010
	<u>3,519,506</u>	<u>2,822,896</u>	<u>5,636,903</u>

5- Term deposits

As at June 30, 2023, the Group has term deposits amounting to KD 16,500,000 (December 31, 2022: KD 16,000,000 and June 30, 2022: KD 11,000,000) and these deposits carry interest rate ranging from 4.75% to 5.5% per annum (December 31, 2022: 4.88% and June 30, 2022: 2.43% per annum).

Term deposits have an original maturity period ranging from 3 to 12 months (December 31, 2022: from 3 to 12 months and June 30, 2022: from 3 to 12 months) and denominated in Kuwaiti Dinars and placed with local banks.

6- Treasury shares

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Number of treasury shares	3,000,000	3,000,000	3,000,000
Percentage of issued shares	3%	3%	3%
Market value (KD)	2,184,000	2,367,000	2,190,000
Cost (KD)	(654,461)	(654,461)	(654,461)

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

**NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**JUNE 30, 2023**  
(All amounts are in Kuwaiti Dinar)

7- Provision for employees' end of service benefits

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Balance at the beginning of the period / year	3,452,533	3,023,880	3,023,880
Charged during the period / year	331,497	784,372	467,067
Paid during the period / year	(553,490)	(355,719)	(235,511)
Balance at the end of the period / year	3,230,540	3,452,533	3,255,436

8- Account payables and accrued expenses

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Trade payables	2,316,106	1,416,652	1,818,207
Dividends Payable (Note 16)	400,485	338,209	378,085
Accrued staff costs	672,155	443,892	291,906
Advances received from client	356,655	356,655	356,655
Taxes payable	200,051	346,489	201,401
Accrued Board of Directors' remuneration (Note 16)	61,640	109,307	47,092
Contract liabilities	1,205,123	1,844,334	1,574,700
Other accrued expenses and provisions	1,955,744	2,201,760	1,858,547
	7,167,959	7,057,298	6,526,593

9- Sales and services revenue

Below is the disaggregation of the Group's sales and services revenue:

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
<b><u>Type of goods or services</u></b>				
<b><u>Oil field contracts</u></b>				
Pumping services	7,379,067	7,740,544	15,367,786	12,958,854
<b><u>Non-oil field contracts</u></b>				
Health, safety, environment and man-power supply services	1,689,520	1,520,810	3,482,620	3,097,359
Other services	247,188	303,226	543,170	484,227
<b>Total sales and services revenue</b>	<b>9,315,775</b>	<b>9,564,580</b>	<b>19,393,576</b>	<b>16,540,440</b>
<b><u>Timing of revenue recognition</u></b>				
Goods and services transferred at a point in time	3,101	20,761	22,383	41,142
Goods and services transferred over time	9,312,674	9,543,819	19,371,193	16,499,298
<b>Total sales and services revenue</b>	<b>9,315,775</b>	<b>9,564,580</b>	<b>19,393,576</b>	<b>16,540,440</b>
<b><u>Geographical markets</u></b>				
State of Kuwait	9,297,696	9,564,580	19,335,529	16,540,440
Others	18,079	-	58,047	-
	<b>9,315,775</b>	<b>9,564,580</b>	<b>19,393,576</b>	<b>16,540,440</b>

**NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**JUNE 30, 2023**  
(All amounts are in Kuwaiti Dinar)

10- Investment income (loss)

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Dividends income	15,313	12,088	28,944	33,488
Change in fair value of financial assets at fair value through profit or loss	1,000	(487,382)	1,466	(487,382)
	<u>16,313</u>	<u>(475,294)</u>	<u>30,410</u>	<u>(453,894)</u>

11- General and administrative expenses

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Staff costs	416,397	262,945	799,682	615,626
Depreciation expense	6,665	6,688	13,395	13,284
Amortization of right-of-use assets	10,245	14,064	30,170	25,559
Interest expense on lease liabilities	5,740	9,376	12,672	17,283
Professional fees	33,460	13,601	41,999	19,922
Marketing and business development expenses	39,833	8,243	126,475	21,666
Charity expense	15,484	13,055	38,841	24,315
Other expenses	157,470	33,702	321,577	133,800
	<u>685,294</u>	<u>361,674</u>	<u>1,384,811</u>	<u>871,455</u>

12- Basic and diluted earnings per share attributable to the Parent Company's Shareholders

There are no potential dilutive ordinary shares. The information necessary to calculate basic and diluted earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Profit for the period attributable to the Parent Company's Shareholders	<u>1,624,115</u>	<u>1,962,786</u>	<u>3,839,546</u>	<u>2,976,833</u>
<b><u>Number of shares outstanding:</u></b>				
Weighted average number of ordinary shares	100,000,000	100,000,000	100,000,000	100,000,000
Less: Weighted average number of treasury shares	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>
Weighted average number of shares outstanding during the period	<u>97,000,000</u>	<u>97,000,000</u>	<u>97,000,000</u>	<u>97,000,000</u>
Basic and diluted earnings per share attributable to the Parent Company's Shareholders (fils)	<u>16.74</u>	<u>20.23</u>	<u>39.58</u>	<u>30.69</u>

**13- Ordinary General Assembly of the Parent Company's Shareholders**

The Ordinary General Assembly of the Parent Company's Shareholders held on May 1, 2023 approved the consolidated financial statements for the year ended December 31, 2022 and approved the recommendations of the Board of Directors to distribute cash dividends of 50 fils per share (totaling KD 4,850,000), and remuneration for the Parent Company's Board of Directors amounting to KD 109,307 for the year ended on December 31, 2022.

The Ordinary General Assembly of the Parent Company's Shareholders held on April 20, 2022 approved the consolidated financial statements for the year ended December 31, 2021 and approved the recommendations of the Board of Directors to distribute cash dividends of 35 fils per share (totaling KD 3,395,000), and remuneration for the Parent Company's Board of Directors amounting to KD 77,458 for the year ended on December 31, 2021.

**14- Contingent liabilities and capital commitments**

**Contingent liabilities**

As at June 30, 2023, the Group provided performance bonds for certain contracts amounting to KD 14,851,086 (December 31, 2022: KD 29,133,131 and June 30, 2022: KD 28,190,262).

**Capital commitments**

At June 30, 2023, the Group has capital commitments relating to the purchase of property, plant and equipment amounting to KD 1,490,569 (December 31, 2022: KD 971,234 and June 30, 2022: KD 1,455,316).

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(All amounts are in Kuwaiti Dinar)

15- Segment information

For management purposes, the Group is organized 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 the operating 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 drilling services.
- **Non-oil field services** : Non-oil field services comprise of a number of diversified activities including health, safety and environmental services, engineering and consultancy services.

The table below presents revenue and profit information for the Group's operating segments for the six-month periods ended June 30, 2023 and 2022 as follows:

	Six months ended June 30, 2023			Six months ended June 30, 2022		
	Oil field services	Non-oil field services	Unallocated items	Oil field services	Non-oil field services	Unallocated items
Sales and services revenue	15,367,786	4,025,790	-	12,958,854	3,581,586	-
Cost of sales and services(1)	(9,455,267)	(3,661,064)	-	(7,955,130)	(3,250,242)	-
Depreciation expense	(1,081,400)	(112,933)	(13,395)	(867,676)	(182,232)	(13,284)
Amortization of right-of-use assets	(99,562)	(32,690)	(30,170)	(84,095)	(36,033)	(25,559)
General and administrative expenses (1)	-	-	(1,341,246)	-	-	(832,612)
Tax expenses	-	-	(208,117)	-	-	(148,162)
Board of directors' remuneration	-	-	(61,640)	-	-	(47,074)
Unallocated income (loss) (2)	-	-	543,454	-	-	(121,508)
Profit (loss) for the period	4,731,557	219,103	(1,111,114)	4,051,953	113,079	(1,188,199)
			3,839,546			2,976,833

(1) These amounts exclude depreciation expense and amortization on right-of-use assets.

(2) Unallocated income (loss) includes interest income, investment income (loss), provision for expected credit losses no longer required and other income.

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The table below presents assets and liabilities information for the Group's operating segments as at June 30, 2023, December 31, 2022 and June 30, 2022, respectively as follows:

	June 30, 2023			December 31, 2022 (Audited)			June 30, 2022		
	Oil field services	Non-oil field services	Total	Oil field services	Non-oil field services	Total	Oil field services	Non-oil field services	Total
Segment assets	50,195,478	1,173,876	51,369,354	51,155,709	1,382,864	52,538,573	46,177,402	1,641,243	47,818,645
Unallocated assets			614,507			613,041			918,897
			51,983,861			53,151,614			48,737,542
Segment liabilities	10,528,737	201,487	10,730,224	10,801,466	86,848	10,888,314	10,199,933	118,029	10,317,962



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16- Related parties' disclosures

In the normal course of business, the Group has entered into various transactions with related parties, i.e., Shareholders, entities under common control and certain other related parties. Prices and terms of payment relating to these transactions are approved by Group's management. Significant related party transactions and balances are as follows:

	Entities under common control	Shareholders	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
<b><u>Balances included in the interim condensed consolidated statement of financial position:</u></b>					
Financial assets at fair value through profit or loss	403	-	403	437	-
Bank balances	17,423	-	17,423	18,299	-
Account payables and accrued expenses	21,431	-	21,431	95,937	-
Dividends Payable (Note 8)	-	400,485	400,485	338,209	378,085
<b><u>Contingent liabilities</u></b>					
Letters of guarantee	2,152,036	-	2,152,036	2,152,036	-

	Entities under common control	Six months ended June 30	
		2023	2022
<b><u>Transactions included in the interim condensed consolidated statement of profit or loss:</u></b>			
General and administrative expenses		876	876
Cost of sales and services rendered		18,497	18,497

**Compensation to key management personnel:**

	Transaction values for the Six months ended June 30		Balance outstanding as at June 30	
	2023	2022	2023	2022
Salaries and other short term benefits	217,017	196,508	92,000	76,295
Employees' end of service benefits	18,112	7,423	226,291	170,423
Board of directors' remuneration (Note 8)	61,640	47,074	61,640	47,092
	<u>296,769</u>	<u>251,005</u>	<u>379,931</u>	<u>293,810</u>

**17- Fair value measurement**

All assets and liabilities, measured or disclosed at fair value, are classified in the interim condensed consolidated financial information through a fair value hierarchy based on the lowest significant inputs level in proportion 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.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

June 30, 2023			
	Level 1	Level 3	Total
Financial assets at fair value through profit or loss	403	614,104	614,507
December 31, 2022 (audited)			
	Level 1	Level 3	Total
Financial assets at fair value through profit or loss	437	612,604	613,041
June 30, 2022			
	Level 1	Level 3	Total
Financial assets at fair value through profit or loss	-	918,897	918,897

The Parent Company's management believes that there is no significant change in fair value of financial assets at fair value through profit or loss during the six months ended June 30, 2023.

There were no transfers between any levels of the fair value hierarchy during the period ended June 30, 2023.

The disaggregated movement in items categorized within level 3 is as follows:

	June 30, 2023	December 31, 2022 (Audited)	June 30, 2022
Balance at the beginning of the period / year	612,604	1,406,279	1,406,279
Net purchases and sales	-	(301,437)	-
Change in fair value	1,500	(492,238)	(487,382)
Balance at the end of the period / year	614,104	612,604	918,897