

**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, 2024
(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

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(UNAUDITED)
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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

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To 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, 2024, and the interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three and six months periods then ended, and statements of changes in equity and cash flows for the six 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". 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 International Accounting Standards 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 and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended June 30, 2024, that might have had a material effect on the Parent Company's financial position or results of its operations.

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We further report that, during the course of our review, we have not become aware of any material violations of Law No. 7 of 2010 and its Executive Regulations, as amended, relating to the Capital Markets Authority and Regulating Securities Activities during the period ended June 30, 2024, that might have had a material effect on the Parent Company's financial position or results of its operations.

State of Kuwait
August 12, 2024

A blue ink signature of Nayef M. Al Bazie, consisting of several fluid, overlapping strokes.

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 AT JUNE 30, 2024
(All amounts are in Kuwaiti Dinar)

	Notes	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
ASSETS				
Non-current assets:				
Property, plant and equipment		13,396,197	13,958,715	12,777,423
Investment in associates	3	17,143,997	16,615,128	-
Investment in joint venture	4	2,565,321	1,601,491	-
Financial assets at fair value through other comprehensive income ("FVOCI")	5	1,153,319	1,172,720	-
Due from a related party	20	-	17,579	-
Right-of-use assets		144,826	277,018	320,535
Total non-current assets		34,403,660	33,642,651	13,097,958
Current assets:				
Inventories		5,166,289	4,531,445	4,896,426
Trade receivables and contract assets	6	14,061,815	12,655,113	10,896,522
Prepayments and other debit balances	7	2,826,858	2,248,937	3,519,506
Financial assets at fair value through profit or loss ("FVPL")		326	613,823	614,507
Due from a related party	20	57,468	260,572	-
Term deposits	8	7,796,291	14,069,746	16,500,000
Bank balances and cash	9	3,894,693	2,660,961	2,458,942
Total current assets		33,803,740	37,040,597	38,885,903
Total assets		68,207,400	70,683,248	51,983,861
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	10	(6,002,371)	(6,002,371)	(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
Effect of changes in other comprehensive income of associates		2,011	-	-
Foreign currency translation reserve		(15,000)	(15,259)	(14,904)
Retained earnings		22,368,844	22,639,857	16,860,672
Equity attributable to shareholders of the Parent Company		41,415,804	41,684,547	41,253,627
Non-controlling interests		14,570,180	14,281,592	10
Total equity		55,985,984	55,966,139	41,253,637
Non-current liabilities:				
Provision for employees' end of service benefits	11	2,979,026	2,779,532	3,230,540
Lease liabilities		18,839	53,867	89,856
Total non-current liabilities		2,997,865	2,833,399	3,320,396
Current liabilities:				
Account payables and accruals	12	9,090,344	11,650,349	7,167,959
Lease liabilities		133,207	233,361	241,869
Total current liabilities		9,223,551	11,883,710	7,409,828
Total liabilities		12,221,416	14,717,109	10,730,224
Total equity and liabilities		68,207,400	70,683,248	51,983,861

The accompanying notes from (1) to (21) form an integral part of the interim condensed consolidated financial information.

Sheikh Sabah Mohammad Abdulaziz Al Sabah
Chairman

Mr. Muhaiman Ali Sayed Nasser Al-Behbehani
Vice Chairman & CEO

NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024
(All amounts are in Kuwaiti Dinar)

	Notes	Three months ended June 30		Six months ended June 30	
		2024	2023	2024	2023
Sales and services revenue	13	9,765,708	9,315,775	19,628,617	19,393,576
Cost of sales and services rendered		(6,882,506)	(7,232,037)	(14,126,144)	(14,442,916)
Gross profit		2,883,202	2,083,738	5,502,473	4,950,660
Interest income		133,021	238,329	274,483	432,187
Net investment (loss) income	14	(16)	16,313	26,145	30,410
Other income		126,591	15,538	223,376	5,200
Group's share of results from associates	3	559,694	-	1,185,069	-
Group's share of results from joint venture	4	598,974	-	963,830	-
Provision for expected credit loss (charged) no longer required	6 – a	(23,512)	75,657	(129,865)	75,657
General and administrative expenses	15	(818,442)	(685,294)	(1,591,605)	(1,384,811)
Profit for the period before taxes and Board of Directors' remuneration		3,459,512	1,744,281	6,453,906	4,109,303
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(34,721)	(17,442)	(60,510)	(41,093)
National Labor Support Tax (NLST)		(64,759)	(54,686)	(122,594)	(119,303)
Zakat		(34,788)	(21,874)	(64,461)	(47,721)
Board of Directors' remuneration		(34,916)	(26,164)	(64,691)	(61,640)
Profit for the period		3,290,328	1,624,115	6,141,650	3,839,546
Attributable to:					
Shareholders of the Parent Company		2,767,052	1,624,115	5,149,018	3,839,546
Non-controlling interests		523,276	-	992,632	-
		3,290,328	1,624,115	6,141,650	3,839,546
Basic and diluted earnings per share attributable to the Parent Company's Shareholders (fils)	16	30.63	16.74	57	39.58

The accompanying notes from (1) to (21) 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024
(All amounts are in Kuwaiti Dinar)

		Three months ended June 30		Six months ended June 30	
	Notes	2024	2023	2024	2023
Profit for the period		3,290,328	1,624,115	6,141,650	3,839,546
Other comprehensive income:					
<u>Items that may be reclassified</u>					
<u>subsequently to the interim condensed</u>					
<u>consolidated statement profit or loss:</u>					
Foreign currency translation adjustments		242	301	259	791
Group's share of other comprehensive					
income of associates	3	-	-	204	-
<u>Items that will not be reclassified</u>					
<u>subsequently to the interim condensed</u>					
<u>consolidated statement profit or loss:</u>					
Group's share of other comprehensive					
income of associates	3	326	-	3,596	-
Change in fair value of financial assets at					
FVOCI		-	-	707	-
Total other comprehensive income for					
the period		568	301	4,766	791
Total comprehensive income for the					
period		3,290,896	1,624,416	6,146,416	3,840,337
Attributable to:					
Shareholders of the Parent Company		2,767,467	1,624,416	5,151,662	3,840,337
Non-controlling interests		523,429	-	994,754	-
		3,290,896	1,624,416	6,146,416	3,840,337

The accompanying notes from (1) to (21) 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, 2024
(All amounts are in Kuwaiti Dinar)

	Equity attributable to Shareholders of the Parent Company												
	Share capital	Share premium	Treasury shares	Treasury shares reserve	Statutory reserve	Voluntary reserve	Cumulative changes in fair values	Effect of changes in other comprehensive income of associates	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
As at January 1, 2024	10,000,000	3,310,705	(6,002,371)	33,825	5,858,895	5,858,895	-	-	(15,259)	22,639,857	41,684,547	14,281,592	55,966,139
Profit for the period	-	-	-	-	-	-	-	-	-	5,149,018	5,149,018	992,632	6,141,650
Other comprehensive income for the period	-	-	-	-	-	-	-	2,011	259	-	2,844	2,122	4,766
Total comprehensive income for the period	-	-	-	-	-	-	374	2,011	259	-	2,844	2,122	4,766
Transfer to retained earnings on sale of financial assets at FVOCI	-	-	-	-	-	-	374	2,011	259	5,149,018	5,151,662	994,754	6,146,416
Cash dividends (Note 17)	-	-	-	-	-	-	(374)	-	-	374	-	-	-
Cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(5,420,405)	(5,420,405)	-	(5,420,405)
As at June 30, 2024	10,000,000	3,310,705	(6,002,371)	33,825	5,858,895	5,858,895	-	2,011	(15,000)	22,368,844	41,415,804	14,570,180	55,985,984
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	10	42,263,300
Profit for the period	-	-	-	-	-	-	-	-	-	3,839,546	3,839,546	-	3,839,546
Other comprehensive income for the period	-	-	-	-	-	-	-	-	791	-	791	-	791
Total comprehensive income for the period	-	-	-	-	-	-	-	-	791	-	791	-	791
Transfer to retained earnings on sale of financial assets at FVOCI	-	-	-	-	-	-	-	-	791	3,839,546	3,840,337	-	3,840,337
Cash dividends (Note 17)	-	-	-	-	-	-	-	-	-	(4,850,000)	(4,850,000)	-	(4,850,000)
As at June 30, 2023	10,000,000	3,310,705	(654,461)	33,825	5,858,895	5,858,895	-	-	(14,904)	16,860,672	41,253,627	10	41,253,637

The accompanying notes from (1) to (21) 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, 2024
(All amounts are in Kuwaiti Dinar)

		Six months ended June 30	
	Notes	2024	2023
Cash flows from operating activities:			
Profit for the period before taxes and after Board of Directors' remuneration		6,389,215	4,047,663
<u>Adjustments to reconcile profit before taxes and after Board of Directors' remuneration:</u>			
Depreciation expense		1,381,258	1,207,728
Amortization of right-of-use assets		132,192	162,422
Group's share of results from associates	3	(1,185,069)	-
Group's share of results from joint venture	4	(963,830)	-
Gain on sale of property, plant and equipment		(113,884)	-
Retirement of property, plant and equipment		-	59,548
Provision for slow moving inventories no longer required		(21,310)	(72,615)
Provision for expected credit loss charged (no longer required)	6 – a	129,865	(75,657)
Dividends income	14	(23,642)	(28,944)
Realized gain on sale of financial assets at FVPL	14	(2,500)	-
Change in fair value of financial assets at FVPL	14	(3)	(1,466)
Interest income		(274,483)	(432,187)
Net foreign exchange differences		14,233	3,443
Interest expense on lease liabilities	15	6,517	12,672
Provision for employees' end of service benefits	11	415,320	331,497
		<u>5,883,879</u>	<u>5,214,104</u>
Change in working capital:			
Inventories		(613,534)	655,644
Trade receivables and contract assets		(1,536,567)	2,545,355
Prepayments and other debit balances		(653,801)	(542,406)
Due from a related party		220,683	-
Account payables and accruals		363,970	191,380
Cash flows generated from operations		<u>3,664,630</u>	<u>8,064,077</u>
Provision for employees' end of service benefits paid	11	(215,826)	(553,490)
Taxes paid		(422,749)	(354,555)
Net cash flows generated from operating activities		<u>3,026,055</u>	<u>7,156,032</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		(818,991)	(1,722,458)
Paid for purchase of a subsidiary	20 – b	(3,529,920)	-
Proceeds from sale of property, plant and equipment		114,139	-
Proceeds from recovery of financial assets at FVPL		616,000	-
Proceeds from sale of financial assets at FVOCI		20,108	-
Dividend income received	14	23,642	28,944
Dividend income received from associates	3	660,000	-
Interest income received		350,363	277,983
Net movement in term deposits		6,273,455	(500,000)
Net cash flows generated from (used in) investing activities		<u>3,708,796</u>	<u>(1,915,531)</u>
Cash flows from financing activities:			
Cash dividends paid		(5,350,169)	(4,787,724)
Cash dividends paid to non-controlling interests		(9,509)	-
Payment of lease liabilities		(141,700)	(175,618)
Net cash flows used in financing activities		<u>(5,501,378)</u>	<u>(4,963,342)</u>
Foreign currency translation adjustments		<u>259</u>	<u>791</u>
Net increase in bank balances and cash		<u>1,233,732</u>	<u>277,950</u>
Bank balances and cash at the beginning of the period		<u>2,660,961</u>	<u>2,180,992</u>
Bank balances and cash at the end of the period	9	<u><u>3,894,693</u></u>	<u><u>2,458,942</u></u>
Non-cash items excluded from the interim condensed consolidated statement of cash flows:			
Additions to right-of-use assets		-	(116,188)
Additions to lease liabilities		-	116,188

The accompanying notes from (1) to (21) 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 12, 2024.

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, 2023.

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, 2024, 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, 2023. 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, 2024, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024.

NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2024
(All amounts are in Kuwaiti Dinar)

3- Investment in associates
Movement during the period / year is as follows:

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Balance at the beginning of the period / year	16,615,128	-	-
Related to acquisition of a subsidiary	-	16,615,128	-
Group's share of results from associates	1,185,069	-	-
Dividend income received from associates	(660,000)	-	-
Group's share of other comprehensive income of associates	3,800	-	-
Balance at the end of the period / year	17,143,997	16,615,128	-

4- Investment in joint venture
Movement during the period / year is as follows:

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Balance at the beginning of the period / year	1,601,491	-	-
Related to acquisition of a subsidiary	-	1,601,491	-
Group's share of results from joint venture	963,830	-	-
Balance at the end of the period / year	2,565,321	1,601,491	-

5- Financial assets at fair value through other comprehensive income ("FVOCI")

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Quoted equity securities	-	19,401	-
Unquoted equity securities	1,153,319	1,153,319	-
	1,153,319	1,172,720	-

Financial assets at FVOCI are measured at fair value as shown in Note (21).

6- Trade receivables and contract assets

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Trade receivables	8,560,537	9,115,824	6,817,902
Contract assets	5,813,596	3,721,742	4,197,610
Less: provision for expected credit losses (a)	(312,318)	(182,453)	(118,990)
	14,061,815	12,655,113	10,896,522

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

(a) Provision for expected credit losses:

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

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Balance at the beginning of the period / year	182,453	420,129	420,129
Charged during the period / year	129,865	-	-
Provision no longer required	-	(75,657)	(75,657)
Related to acquisition of a subsidiary	-	63,463	-
Utilized during the period / year	-	(225,482)	(225,482)
Balance at the end of the period / year	312,318	182,453	118,990

7- Prepayments and other debit balances

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Advance payments to suppliers	1,634,332	1,068,310	2,083,763
Staff receivables	504,262	411,718	391,933
Deposits and other debit balances	688,264	768,909	1,043,810
	2,826,858	2,248,937	3,519,506

8- Term deposits

As at June 30, 2024, the Group has term deposits amounting to KD 7,796,291 (December 31, 2023: KD 14,069,746 and June 30, 2023: KD 16,500,000). These deposits carry interest rates ranging from 4.06% to 4.55% per annum (December 31, 2023: from 4.46% to 4.55% and June 30, 2023: from 4.75% to 5.5% per annum).

Term deposits have an original maturity period ranging from 3 to 12 months (December 31, 2023: from 3 to 12 months and June 30, 2023: from 3 to 12 months) and are denominated in Kuwaiti Dinars and placed with local banks.

9- Bank balances and cash

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Cash on hand	5,367	5,404	1,186
Cash at banks	3,889,326	2,655,557	2,457,756
	3,894,693	2,660,961	2,458,942

10- Treasury shares

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Number of treasury shares	9,659,912	9,659,912	3,000,000
Percentage of issued shares	9.66%	9.66%	3%
Market value (KD)	7,225,614	7,756,909	2,184,000
Cost (KD)	(6,002,371)	(6,002,371)	(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 Capital Markets Authority guidelines.

NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2024
(All amounts are in Kuwaiti Dinar)

11- Provision for employees' end of service benefits

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Balance at the beginning of the period / year	2,779,532	3,452,533	3,452,533
Charged during the period / year	415,320	610,253	331,497
Paid during the period / year	(215,826)	(1,698,784)	(553,490)
Related to acquisition of a subsidiary	-	415,530	-
Balance at the end of the period / year	2,979,026	2,779,532	3,230,540

12- Account payables and accruals

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Trade payables	2,262,529	2,024,869	2,316,106
Dividends payable (Note 20)	1,410,323	643,430	400,485
Accrued staff costs	1,230,259	1,681,370	672,155
Advances received	356,655	357,868	356,655
Taxes payable	268,517	444,330	200,051
Accrued Board of Directors' remuneration (Note 20)	64,691	136,851	61,640
Contract liabilities	1,201,733	485,288	1,205,123
Due to related parties (Note 20)	14,097	3,544,017	-
Other accrued expenses and provisions	2,281,540	2,332,326	1,955,744
	9,090,344	11,650,349	7,167,959

13- Sales and services revenue

The disaggregation of the Group's sales and services revenue is as follows:

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
<u>Type of goods or services</u>				
<u>Oil field contracts</u>				
Pumping services	7,667,491	7,379,067	15,491,319	15,367,786
<u>Non-oil field contracts</u>				
Health, safety, environment and man-power supply services	1,298,733	1,689,520	2,466,102	3,482,620
Other services	208,198	247,188	453,692	543,170
Sale of chemicals and other materials	591,286	-	1,217,504	-
Total sales and services revenue	9,765,708	9,315,775	19,628,617	19,393,576
<u>Timing of revenue recognition</u>				
Goods and services transferred at a point in time	675,556	3,101	1,312,491	22,383
Goods and services transferred over time	9,090,152	9,312,674	18,316,126	19,371,193
Total sales and services revenue	9,765,708	9,315,775	19,628,617	19,393,576
<u>Geographical markets</u>				
State of Kuwait	9,569,256	9,297,696	19,167,086	19,335,529
Others	196,452	18,079	461,531	58,047
	9,765,708	9,315,775	19,628,617	19,393,576

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14- Net investment (loss) income

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Dividends income	5	15,313	23,642	28,944
Realized gain on sale of financial assets at FVPL	-	-	2,500	-
Change in fair value of financial assets at FVPL	(21)	1,000	3	1,466
	<u>(16)</u>	<u>16,313</u>	<u>26,145</u>	<u>30,410</u>

15- General and administrative expenses

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Staff costs	550,991	416,397	1,052,778	799,682
Depreciation expense	14,454	6,665	29,015	13,395
Amortization of right-of-use assets	9,882	10,245	27,031	30,170
Interest expense on lease liabilities	2,656	5,740	6,517	12,672
Professional fees	31,765	33,460	61,949	41,999
Marketing and business development expenses	9,203	39,833	26,752	126,475
Charity expense	37,428	15,484	66,298	38,841
Other expenses	162,063	157,470	321,265	321,577
	<u>818,442</u>	<u>685,294</u>	<u>1,591,605</u>	<u>1,384,811</u>

16- 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	
	2024	2023	2024	2023
Profit for the period attributable to the Parent Company's Shareholders	<u>2,767,052</u>	<u>1,624,115</u>	<u>5,149,018</u>	<u>3,839,546</u>
<u>Number of shares outstanding:</u>				
Number of shares issued at the beginning of the period	100,000,000	100,000,000	100,000,000	100,000,000
Less: Weighted average number of treasury shares	<u>(9,659,912)</u>	<u>(3,000,000)</u>	<u>(9,659,912)</u>	<u>(3,000,000)</u>
Weighted average number of shares outstanding at the end of the period	<u>90,340,088</u>	<u>97,000,000</u>	<u>90,340,088</u>	<u>97,000,000</u>
Basic and diluted earnings per share attributable to the Parent Company's Shareholders (fils)	<u>30.63</u>	<u>16.74</u>	<u>57</u>	<u>39.58</u>

17- Ordinary General Assembly of the Parent Company's Shareholders

The Ordinary General Assembly of the Parent Company's Shareholders held on May 20, 2024 approved the consolidated financial statements for the year ended December 31, 2023 and approved the recommendations of the Board of Directors to distribute cash dividends of 60 fils per share (totaling KD 5,420,405), and remuneration for the Parent Company's Board of Directors amounting to KD 136,851 for the year ended December 31, 2023.

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 December 31, 2022.

18- Contingent liabilities and capital commitments

Contingent liabilities

The Group provided guarantees for the performance of certain contracts as follows:

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Letters of guarantee and letters of credit	31,904,766	32,464,543	14,851,086
Letters of guarantee and letters of credit – related to subsidiaries	4,402,090	4,429,590	-
	36,306,856	36,894,133	14,851,086

Capital commitments

At June 30, 2024, the Group has capital commitments relating to the purchase of property, plant and equipment amounting to KD 1,713,494 (December 31, 2023: KD 1,724,483 and June 30, 2023: KD 1,490,569).

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19- 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 well 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-months period ended June 30, 2024 and 2023 as follows:

	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Oil field services	Non-oil field services	Unallocated items	Oil field services	Non-oil field services	Unallocated items
Sales and services revenue	15,491,319	4,137,298	-	15,367,786	4,025,790	-
Cost of sales and services (1)	(8,940,016)	(3,728,724)	-	(9,455,267)	(3,661,064)	-
Depreciation expense	(1,188,473)	(163,770)	(29,015)	(1,081,400)	(112,933)	(13,395)
Amortization of right-of-use assets	(64,636)	(40,525)	(27,031)	(99,562)	(32,690)	(30,170)
General and administrative expenses (1)	-	-	(1,535,559)	-	-	(1,341,246)
Tax expenses	-	-	(247,565)	-	-	(208,117)
Board of Directors' remuneration	-	-	(64,691)	-	-	(61,640)
Unallocated income (2)	-	-	2,543,038	-	-	543,454
Profit (loss) for the period	5,298,194	204,279	639,177	4,731,557	219,103	(1,111,114)
			6,141,650			3,839,546

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

(2) Unallocated income includes interest income, net investment (loss) income, other income, Group's share of results from associates and joint venture and provision for expected credit loss (charged) no longer required.

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The below table presents assets and liabilities information for the Group's operating segments as at June 30, 2024, December 31, 2023 and June 30, 2023, respectively as follows:

	June 30, 2024			December 31, 2023 (Audited)			June 30, 2023		
	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	38,533,888	8,810,549	47,344,437	49,760,990	919,096	50,680,086	50,195,478	1,173,876	51,369,354
Unallocated assets			20,862,963			20,003,162			614,507
Total assets			68,207,400			70,683,248			51,983,861
Segment liabilities	10,095,597	2,125,819	12,221,416	10,612,076	575,113	11,187,189	10,528,737	201,487	10,730,224
Unallocated liabilities			-			3,529,920			-
Total liabilities			12,221,416			14,717,109			10,730,224

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20- 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	Joint venture	June 30, 2024	Total December 31, 2023 (Audited)	June 30, 2023
<u>Balances included in the interim condensed consolidated statement of financial position:</u>						
Financial assets at FVPL	326	-	-	326	319	403
Financial assets at FVOCI	-	-	-	-	19,401	-
Term deposits	6,706,992	-	-	6,706,992	3,002,346	-
Bank balances	2,851,466	-	-	2,851,466	1,370,494	17,423
Due from a related party (a)	-	-	57,468	57,468	278,151	-
Account payables and accruals	-	-	-	-	(129,370)	(21,431)
Due to related parties (Note 12)	(14,097)	-	-	(14,097)	(3,544,017)	-
Dividends payable (Note 12)	-	(1,410,323)	-	(1,410,323)	(643,430)	(400,485)
<u>Contingent liabilities:</u>						
Letters of guarantee	6,457,811	-	-	6,457,811	6,457,426	2,152,036

- (a) The amount due from a related party (United Qmax Drilling Fluids Company – Joint venture) in respect of a loan, amounting to KD 611,572 carry an interest rate of Kibor plus 2% per annum and is recoverable in quarterly installments commencing from April 2021. Also, the remaining amount due from the same related party amounting to KD 279,380 carries no interest and is receivable on demand. Further an amount of KD 833,484 is due to the same related party which is netted off and is repayable on demand.

Due from a related party is presented as follows in interim condensed consolidated statement of financial position:

	June 30, 2024	December 31, 2023 (Audited)	June 30, 2023
Non-current portion	-	17,579	-
Current portion	57,468	260,572	-
	57,468	278,151	-

- (b) During the period ended June 30, 2024, the Group settled an amount of KD 3,529,920 due to a related party for the acquisition of a subsidiary, United Oil Projects Co. – K.S.C. (Closed) which was acquired during the year ended December 31, 2023.

	Entities under common control	Joint venture	Six months ended June 30 2024	2023
<u>Transactions included in the interim condensed consolidated statement of profit or loss:</u>				
Interest income	156,950	22,540	179,490	-
General and administrative expenses	819	-	819	876
Cost of sales and services rendered	-	-	-	18,497

Compensation to key management personnel:

	Transactions values for the Six months ended June 30		Balances outstanding as at June 30	
	2024	2023	2024	2023
Salaries and other short term benefits	248,310	217,017	84,000	92,000
Employees' end of service benefits	9,423	18,112	24,835	226,291
Board of Directors' remuneration (Note 12)	64,691	61,640	64,691	61,640
	322,424	296,769	173,526	379,931

21- 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, 2024		
	Level 1	Level 3	Total
Financial assets at FVPL	326	-	326
Financial assets at FVOCI	-	1,153,319	1,153,319
	326	1,153,319	1,153,645
December 31, 2023 (audited)			
	Level 1	Level 3	Total
Financial assets at FVPL	319	613,504	613,823
Financial assets at FVOCI	19,401	1,153,319	1,172,720
	19,720	1,766,823	1,786,543
June 30, 2023			
	Level 1	Level 3	Total
Financial assets at FVPL	403	614,104	614,507

The Parent Company's management believes that there is no significant change in fair value of financial assets at FVOCI measured within level 3 during the six months ended June 30, 2024.

There were no transfers between any levels of the fair value hierarchy during the period ended June 30, 2024.

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The detailed movement for items measured within level 3 is as follows:

	Financial assets at FVPL	Financial assets at FVOCI	June 30, 2024	Total December 31 2023 (Audited)	June 30, 2023
Balance at the beginning of the period / year	613,504	1,153,319	1,766,823	612,604	612,604
Recoveries	(613,500)	-	(613,500)	-	-
Related to acquisition of a subsidiary	-	-	-	1,153,319	-
Change in fair value	(4)	-	(4)	900	1,500
Balance at the end of the period / year	<u>-</u>	<u>1,153,319</u>	<u>1,153,319</u>	<u>1,766,823</u>	<u>614,104</u>