

ABRAJ expands its Kuwait operations, improves its Net Income, Utilization Rate, sets another Backlog Record and upgrades its Full Year Revenue Guidance

Increased Revenue +9% quarter-on quarter

Increased Net Income, +10% quarter-on-quarter

Highest rig utilization rate in the last 12 months

All time high backlog of OMR 953 million

Third rig started operations in Kuwait

Full Year 2026 Revenue Guidance upgraded

Muscat, Oman – 28 July 2026 – ABRAJ Energy Services SAOG (“**ABRAJ**” or the “**Company**”) (MSX: ABRJ), Oman national champion for integrated energy services, announced today its financial results for the second quarter of 2026 (“**Q2’26**”), highlighting an increase quarter-on-quarter (“**QoQ**”) in Revenue, Net Income, utilization rate and backlog.

Financials Highlights

REVENUE

Year-To-Date (“YTD”) Revenue of 75.3 million Omani Riyal (“**OMR**”) representing a year-on-year (“**YoY**”) increase of OMR 2.4 million, or +3%. Increase was mainly due to increase Contract Revenue of OMR 0.8 million on higher rig activity as well as higher Clients recharges of OMR 1.2 million.

Q2’26 Revenue of OMR 39.3 million was OMR 3.3 million higher than previous quarter, representing a +9% upside QoQ. This increase was mainly due higher rig activity of OMR 1.2 million, higher Clients recharges of OMR 1.1 million as well as timing differences QoQ on maintenance activities of OMR 0.6 million.

EBITDA

YTD’26 EBITDA of OMR 24.3 million was OMR 0.3 million lower YoY (or -1%), mainly due to decrease in Drilling segment of OMR 1 million, partially offset by the increase in Well Services of OMR 0.6 million. The Drilling segment decrease of OMR 1 million is mainly coming from additional maintenance and recertifications activities completed in H1’26 (impact of OMR -1.4 million), partially offset by incremental EBITDA on higher rig activity (impact of OMR +0.4 million).

Q2’26 EBITDA of 12.3 million was OMR 0.3 million (or +3%) higher than Q1’26. The increase is mainly due to incremental EBITDA on additional rig activity of OMR 0.5 million, partially offset by additional G&A cost of 0.2 million coming from General & Administrative cost.

PROFIT AFTER TAX (“PAT”)

YTD’26 PAT of OMR 9.3 million was flat compared to last year as the EBITDA decrease of OMR 0.3 million mentioned above is offset by lower depreciation cost of an equivalent amount. Finance cost of OMR 2.8 million are approx. OMR 0.2 million than that of last year, in spite of a higher debt level. This reduction was due to savings realized on repricing of our bank loans which resulted in an average decrease in the rates of approx. 70 basis points since last year. Our YTD’26 effective tax rate of 15.3% was in line with that of last year.

Q2’26 PAT of OMR 4.9 million was OMR 0.4 million higher QoQ (or +10%) mainly coming from the combined effect of QoQ EBITDA increase of OMR 0.3 million, as mentioned above, as well as lower finance cost of OMR 0.1 million.

CAPEX

YTD Capex of OMR 29.3million was significantly higher than that of last year due to the ongoing investment program of eight newbuild rigs which are seven for Petroleum Development Oman (“**PDO**”), including six for Wave III, and one for Kuwait Gulf Oil company (“**KGO**”). To date, we have spent to date a total of approx. OMR 37 million of Capex associated with the 8 new builds program and the total spending associated with our this fleet expansion program is estimated to be in the range of OMR 90 to 95 million. Most of these investments are supported by financing lines with banks

CASH POSITION & NET DEBT

As of Q2’26, the Company’s Cash and Cash Equivalent position was OMR 3.5 million or -50% lower than 2026 opening balance. Available excess cash as well as new financing are being allocated to support the ongoing capex intensive program. For the period ending 30 June 2026 (“**H1’26**”), the Company drew a total of OMR 32.2 million of banks loans and repaid a total of OMR 13.1 million in loans principal and interest, including lease liabilities. In addition, a dividend payment of OMR 13 million related to Full Year 2025 was also completed in Q1’26.

As of 30 June 2026, the Company’s Net Debt position was OMR 121 million, reflecting a +10% increase QoQ which is consistent with the ongoing capex cycle. The net debt increase of OMR 11 million QoQ is coming from the combined effect of cash reduction of OMR 3 million plus drawing additional banks loans of OMR 13 million, net of loans reimbursement of OMR 5 million. As of Q2’26, the Company’s gross debt was OMR 124.8 million, split between Long Term debt of OMR 111.5 million, Short Term debt of OMR 10.0 million and lease liabilities of OMR 3.3 million.

As of 30 June 2026, the Company’s leverage ratio (Net Debt / 12-month trailing EBITDA) has increased QoQ from 2.3x to 2.5x, as previously indicated. Both Net Debt and leverage ratio are expected to continue increasing until completion of the fleet expansion program and until the new builds rigs are effectively deployed and start contributing to the Company’s financials.

Key Financial Metrics

OMR '000s	Q2’26	Q1’26	QoQ	YTD’26	YTD’25	YoY
Revenue	39.3	36.0	+9%	75.3	72.9	+3%
EBITDA	12.3	12.0	+3%	24.3	24.7	-1%
EBITDA Margin	31.4%	33.3%	(1.9pp)	32.3%	33.8%	(1.5pp)
Operating Profit (EBIT)	7.1	6.7	+5%	13.8	13.8	0%
Profit After Tax	4.9	4.5	+10%	9.3	9.3	0%
Net Income Margin	12.4%	12.4%	0.0pp	12.4%	12.8%	(0.4pp)
EPS (Baisa)	6.34	5.79	+10%	12.13	12.11	0%
Capital Expenditures	18.7	10.6	+77%	29.3	6.2	+375%
Cash Flow from Operations (excl. WC)	12.8	12.1	+6%	24.9	24.8	+1%
Net Debt	121.3	110.4	+10%	121.3	103.4	+17%
ROEC	10.9%	11.4%	(0.5pp)	10.9%	10.9%	+0.0pp
Net Debt / TTM EBITDA	2.47x	2.26x	+0.21x	2.47x	2.11x	+0.37x

Rig Activity & Contract Highlights

Rig utilization rate increased to 91% as of Q2'26 with 24.6 active rigs over a total available fleet of 27 rigs, reaching a 12-month high. By end of Q1'26, the number of active rigs was 24, resulting in a utilization rate of 89%. During the quarter, ABRAJ started two new rigs, including one for KGO in Kuwait and another rig for PDO. Also, during the quarter, one rig ended its contract with Medco and is getting prepared to move to a new contract with PDO.

As of 30 June 2026, ABRAJ only had 2 rigs inactive, including the one released by Medco. One the two rigs started mid-July with PDO and is expected to work until year-end as a gap filler for an upcoming Wave III rig. The other rig, which was released by Medco, is also expected to start with PDO by the end of Q3'26. As previously mentioned, we therefore expect to achieve full utilization rate with our existing fleet by end of Q3. .

Backlog position reached all-time high of OMR 953 million and was up by OMR 55 million (or +6%) QoQ. The backlog increase of OMR 55 million is coming from backlog addition of OMR 120 million related to the award of PDO Frac contract, as previously announced in May. This backlog increase was partially offset by decreases coming from Q2'26 revenue consumption of OMR 39 million as well as OMR 26 million of backlog position previously included as 'option' in Q1'26 that has now materialized into 'firm' in Q2'26.

The average day rate across the fleet was in the high USD 20ks

As of 30 June 2026, the remaining firm contract days across the fleet are equivalent to 140 fleet rig years and represented an average remaining contract tenure of 5.7 years per rig. Total backlog over 12-month trailing revenue (**"book-to-bill ratio"**) was 6.4x as of 30 June 2026.

Short-term guidance

For the third quarter of 2026, revenue is expected to reflect an upside of 5 to 10% compared to Q2'26, due to higher rig activity, and the **Full Year revenue guidance is upgraded** to OMR 150 to 160 million, from OMR 145 to 155 million in Q1'26 .

EBITDA guidance remains the same from low to mid 30s percentage of the revenue, respectively.

With respect to CAPEX, we expect to spend in H2'26 another OMR 30 to 40 million

Eng. Saif Al Hamhami, Chief Executive Officer of ABRAJ, commented on Q2'26 results: *"We continue to execute successfully on ABRAJ's growth agenda, with two rig start-ups completed during Q2 and a further rig commencing operations in mid-July. These milestones represent important progress in converting our capital investments into productive assets that will drive future revenue and earnings growth. As additional rigs are deployed in the coming months, we expect to benefit from the increasing contribution of our recent investments, supporting both profitability and market share expansion.*

We are also pleased to have secured an upgraded Frac contract with PDO, expanding our participation in technically advanced, higher-value fracturing services. Beyond its commercial significance, the award reflects PDO's confidence in ABRAJ's operational excellence and strengthens our position within the Well Services market, while enhancing the visibility of future growth opportunities."

Hubert Lafeuille, Chief Financial Officer of ABRAJ, further commented: *"As we continue to execute our growth strategy, we remain focused on preserving a financially disciplined approach in our business model as well as maintaining a resilient and efficient capital structure. We are looking at initiatives to reduce near-term debt service pressures and enhance financial flexibility by lowering reliance on traditional bank financing. This approach would strengthen liquidity, support ongoing organic growth initiatives, and provide additional capacity to pursue selective value-accretive acquisition opportunities."*

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About ABRAJ Energy Services:

ABRAJ Energy Services SAOG (“**ABRAJ**” or the “**Company**”) (MSX: ABRJ) is Oman national champion for integrated energy services, delivering execution certainty at scale across complex well environments through advanced drilling and integrated well services. As Oman's leading onshore drilling contractor and a trusted partner to national and international operators, including PDO, Shell, Chevron, and Occidental, the company supports the development of strategic energy assets across the full well lifecycle, combining a highly localized workforce, a modern fleet of 27 drilling rigs and 5 workover rigs, and a disciplined operational and capital strategy aligned with international safety and performance standards.

Guided by Oman Vision 2040 and In-Country Value priorities, ABRAJ contributes to workforce localization, supply chain development, and long-term resilience of the energy sector. As the first company in Oman to receive the National Local Content Certificate and to achieve 93% Omanization with 100% Omani senior management, ABRAJ leads by example as a national economic contributor and as a company building its authority across the region through the quality of its delivery.

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Disclaimer and Forward-Looking Statements

This communication contains certain "forward-looking statements" within the meaning of applicable securities laws and regulations. These statements include, but are not limited to, the plans, objectives, expectations, and intentions of ABRAJ Energy Services SAOG (“ABRAJ” or the “Company”) (MSX: ABRJ). Forward-looking statements are generally identified by terminology such as "believes," "expects," "intends," "anticipates," "plans," "seeks," "should," "will," "may," or similar expressions.

These statements are based on the current beliefs and expectations of ABRAJ management and are subject to significant risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Such risks include, but are not limited to, general economic and business conditions, competitive pressures, the

successful implementation of business strategies, and other factors detailed in the Company’s filings with the Muscat Stock Exchange (MSX).

ABRAJ undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law. Investors are cautioned not to place undue reliance on these statements.

Statement of Financial Position, Current, Non-current	Thousands/Omani Rial/Unaudited		
	Standalone 30/06/2026	Standalone 30/06/2025	Standalone 31/12/2025
STATEMENT OF FINANCIAL POSITION			
CONSOLIDATED AND SEPARATE			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	196,502	193,532	189,737
Intangible assets other than goodwill	105	131	147
Right-of-use assets	3,176	3,452	3,020
Other non-current non-financial assets	28,767	2,687	13,709
Total non-current assets	228,550	199,802	206,613
CURRENT ASSETS			
Current inventories	26,763	28,510	27,136
Trade and other current receivables	51,834	49,620	43,731
Cash and bank balances	3,501	5,801	7,050
Other current non-financial assets	312	95	160
Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners	82,410	84,026	78,077
Total current assets	82,410	84,026	78,077
Total assets	310,960	283,828	284,690
EQUITY AND LIABILITIES			
EQUITY			
Share capital	77,020	77,020	77,020
Share premium	(139)	0	(90)
Treasury shares	82	0	65
Statutory reserve	14,618	13,338	14,172
Other reserves	(44)	0	(360)
Retained earnings (Accumulated losses)	51,388	47,983	55,492
Total equity	142,761	138,341	146,169
LIABILITIES			
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS			
Non-current provisions for employee benefits	2,324	2,279	2,215
Total non-current provisions	2,324	2,279	2,215
Borrowings, non-current	94,002	74,415	71,993
Non-current lease liabilities	2,426	2,720	2,343
Non-current derivative financial liabilities	47	0	304
Deferred tax liabilities	2,433	3,051	2,532
Contract liabilities, non-current / Deferred non-current revenue	1,943	819	1,651
Total non-current liabilities	103,175	83,284	81,038
CURRENT LIABILITIES			
CURRENT PROVISIONS			
Trade and other current payables	30,427	27,433	22,921
Borrowings, current	27,491	31,189	27,060
Current lease liabilities	862	859	822
Current derivative financial liabilities	5	0	120
Current tax liabilities, current	5,028	1,862	5,367
Contract liabilities, current/ Deferred current revenue	1,211	860	1,193
Total current liabilities other than liabilities included in disposal groups classified as held for sale	65,024	62,203	57,483
Total current liabilities	65,024	62,203	57,483
Total liabilities	168,199	145,487	138,521
Total equity and liabilities	310,960	283,828	284,690
Number of outstanding shares	770200000	770200000	770200000

Subclassifications of Assets, Liabilities and Equity, Current, Non-current	Thousands/Omani Rial/Unaudited		
	Standalone 30/06/2026	Standalone 30/06/2025	Standalone 31/12/2025
SUBCLASSIFICATIONS OF ASSETS, LIABILITIES AND EQUITIES			
CONSOLIDATED AND SEPARATE			
ASSETS			
NON-CURRENT ASSETS			
EXPLORATION AND EVALUATION ASSETS			
INVESTMENT PROPERTIES			
INVESTMENT PROPERTIES AT COST			
INVESTMENT PROPERTIES AT FAIR VALUE			
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD			
OTHER CURRENT NON-FINANCIAL ASSETS			
Contract costs, non-current	900	55	95
Miscellaneous non-current non-financial assets	27,867	2,632	13,614
Total Other non-current non-financial assets	28,767	2,687	13,709
CURRENT ASSETS			
INVENTORIES			
Spares and consumables	27,844	29,409	28,129
Allowance for slow moving and obsolete inventories	1,081	899	993
Total current inventories	26,763	28,510	27,136
TRADE AND OTHER CURRENT RECEIVABLES			
Accounts receivables	32,843	30,670	25,887
Receivables due from related parties	4,334	6,725	3,969
PREPAYMENTS AND ACCRUED INCOME			
Prepayments	883	879	480
Advances	1,134	224	1,125
Total prepayments and accrued income	2,017	1,103	1,605
Other receivables	12,826	11,306	12,456

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Allowance for expected credit losses	186	184	186
Total trade and other current receivables	51,834	49,620	43,731
CASH AND CASH EQUIVALENTS			
CASH			
Cash on hand	6	10	15
Balances with banks	3,495	5,791	7,035
Total cash	3,501	5,801	7,050
CASH EQUIVALENTS			
Total cash and cash equivalents	3,501	5,801	7,050
Total cash and bank balances	3,501	5,801	7,050
OTHER CURRENT NON-FINANCIAL ASSETS			
Contract costs, current	312	95	160
Total other current non-financial assets	312	95	160
EQUITY			
RESERVES			
Hedge reserve	(44)	0	(360)
Total reserves	(44)	0	(360)
LIABILITIES			
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS			
Employee End of Term Benefits, non current	2,324	2,279	2,215
Total Non-current provisions for employee benefits	2,324	2,279	2,215
BORROWINGS, NON CURRENT			
Borrowings from banks and other financial institutions, non current	94,002	74,415	71,993
Total Borrowings, non current	94,002	74,415	71,993
CURRENT LIABILITIES			
BORROWINGS, CURRENT			
Borrowings from banks and other financial institutions, current	17,491	14,189	17,060
Other short term borrowings	10,000	17,000	10,000
Total Borrowings, current	27,491	31,189	27,060
TRADE AND OTHER CURRENT PAYABLES			
Accounts payable	17,484	15,719	13,743
Payables to related parties	661	454	641
ACCRUALS AND DEFERRED INCOME			
Other payables	12,282	11,260	8,537
Total trade and other current payables	30,427	27,433	22,921
PROVISIONS FOR EMPLOYEE BENEFITS, CURRENT			

Income Statement, Function of expense	Thousands/Omani Rial/Unaudited		
	Standalone 01/04/2026-30/06/2026	Standalone 01/04/2025-30/06/2025	Standalone 01/01/2026-30/06/2026
PROFIT OR LOSS			
CONSOLIDATED AND SEPARATE			
PROFIT OR LOSS			
Revenue	39,314	36,147	75,330
Cost of sales	29,172	27,387	56,011
Gross profit	10,142	8,760	19,319
Other income	6	0	6
General and administrative expense	3,064	2,046	5,506
Profit (loss) from operating activities	7,084	6,714	13,819
Finance income	19	67	33
Finance costs	1,365	1,563	2,816
Profit (loss) before income tax	5,738	5,218	11,036
Income tax expense, continuing operations	854	794	1,693
Profit (loss) from continuing operations	4,884	4,424	9,343
Profit (loss) for period	4,884	4,424	9,343
PROFIT (LOSS), ATTRIBUTABLE TO			
BASIC AND DILUTED EARNINGS PER SHARE			
BASIC EARNINGS PER SHARE			
Basic earnings (loss) per share from continuing operations	0.006	0.006	0.012
Total basic earnings (loss) per share	0.006	0.006	0.012
DILUTED EARNINGS PER SHARE			

Statement of comprehensive income - Net of tax	Thousands/Omani Rial/Unaudited		
	Standalone 01/04/2026- 30/06/2026	Standalone 01/04/2025- 30/06/2025	Standalone 01/01/2026- 30/06/2026
STATEMENT OF COMPREHENSIVE INCOME			
CONSOLIDATED AND SEPARATE			
Net Profit / (Loss) for the Period	4,884	4,424	9,343
OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED TO STATEMENT OF INCOME IN SUBSEQUENT PERIODS			
Changes in fair value of cash flow hedges	166	0	316
Total other comprehensive income that will be reclassified to profit or loss	166	0	316
OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO STATEMENT OF INCOME IN SUBSEQUENT PERIODS			
Total other comprehensive income for the Period	166	0	316
Total comprehensive income for the Period	5,050	4,424	9,659
COMPREHENSIVE INCOME ATTRIBUTABLE TO			

Analysis of Income and Expense, Function of Expense	Thousands/Omani Rial/Unaudited		
	Standalone 01/04/2026-30/06/2026	Standalone 01/04/2025-30/06/2025	Standalone 01/01/2026-30/06/2026
ANALYSIS OF INCOME AND EXPENSE			
CONSOLIDATED AND SEPARATE			
REVENUE			
Sale of goods	2,484	2,268	4,732
Revenue from rendering of services	30,581	28,177	58,818
LEASE REVENUE			
Operating lease rentals	6,249	5,702	11,780
Total lease revenue	6,249	5,702	11,780
Total revenue	39,314	36,147	75,330
OTHER INCOME			
Miscellaneous income	6	0	6
Total other income	6	0	6
EXPENSES			
COST OF SALES			
Cost of material consumed	5,065	5,147	9,845
Employee benefit expense	12,301	11,814	24,459
Fuel and electricity	29	44	88
Depreciation, depletion and amortisation	5,103	5,267	10,186
Other cost of goods sold	6,674	5,115	11,433
Total cost of sales	29,172	27,387	56,011
GENERAL AND ADMINISTRATIVE EXPENSES			
Rent and utility expenses	3	11	13
Employee benefit expense	1,676	1,409	3,100
Director's remuneration and sitting fees	61	68	112
Depreciation, depletion and amortisation	159	165	331
Legal and professional expense	73	30	98
Vehicle expenses	16	11	30
Advertisement and business promotion	102	99	151
Other expenses and fees	974	253	1,671
Total General and administrative expenses	3,064	2,046	5,506
SELLING, DISTRIBUTION AND MARKETING EXPENSES			

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Statement of cash flows, indirect method	Thousands/Omani Rial/Unaudited	
	Standalone 01/01/2026-30/06/2026	Standalone 01/01/2025-30/06/2025
STATEMENT OF CASH FLOWS		
CONSOLIDATED AND SEPARATE		
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the period before taxation	11,036	10,988
ADJUSTMENTS TO RECONCILE PROFIT (LOSS)		
Adjustments for depreciation and amortisation expense	10,517	10,831
Adjustments for increase (decrease) in employee benefit liabilities	184	265
Adjustments for finance costs	2,816	2,983
Adjustments for finance income	33	146
Adjustments for gain (loss) on disposals, property, plant and equipment	(931)	(7)
Other adjustments to reconcile profit (loss)	(553)	(156)
Total adjustments to reconcile profit (loss)	13,862	13,784
Cash flows from (used in) operations before changes in working capital	24,898	24,772
WORKING CAPITAL CHANGES		
Adjustments for decrease (increase) in inventories	285	(334)
Adjustment for decrease (increase) in trade and other receivables	(7,108)	(7,342)
Adjustments for increase (decrease) in trade and other payables	4,723	(4,646)
Adjustments for decrease (increase) in other working capital items	(995)	673
Total adjustments to working capital changes	(3,095)	(11,649)
Net cash flows from (used in) operations	21,803	13,123
Income taxes paid (refund)	(2,187)	(622)
Interest paid, classified as operating activities	(2,904)	(3,012)
Employees end of service benefits paid	(75)	(384)
Other inflows (outflows) of cash	1,030	377
Net cash flows from (used in) operating activities	17,667	9,482
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Proceeds from sales of property, plant and equipment	159	12
Purchase of property, plant and equipment	29,267	6,164
Interest received	33	146
Other inflows (outflows) of cash, classified as investing activities	(1,069)	(82)
Net cash flows from (used in) investing activities	(30,144)	(6,088)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from borrowings	32,178	42,753
Repayments of borrowings	9,738	27,967
Payments of lease liabilities	511	546
Dividends paid to equity holders of parent	13,001	17,306
Net cash flows from (used in) financing activities	8,928	(3,066)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(3,549)	328
Net increase (decrease) in cash and cash equivalents	(3,549)	328
Cash and cash equivalents at beginning of period	7,050	5,473
Cash and cash equivalents at end of period	3,501	5,801

Statement of cash flows, indirect method	English 01/04/2026-30/06/2026
OTHER CASH FLOW INFORMATION	
DISCLOSURE OF CASH FLOW STATEMENT	
Material Non-cash transactions	Ref #1

1

Non cash transactions:

2026

2025

INTERIM CONDENSED FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON 27 Jul 2026

Following non cash transactions have been excluded from above cash flows:	OMR '000	OMR '000
Accruals for the property and equipment	2,804	1,916
Net movement in treasury shares	(66)	-

Statement of changes in equity	Share Capital	Reserve of cash flow hedges	Retained earnings (accumulated Losses)	Share premium	Statutory reserve	Thousands/Omani Rial/Unaudited	
	Standalone	Standalone	Standalone	Standalone	Standalone	Treasury shares	Standalone
	01/01/2026-30/06/2026	01/01/2026-30/06/2026	01/01/2026-30/06/2026	01/01/2026-30/06/2026	01/01/2026-30/06/2026	01/01/2026-30/06/2026	01/01/2026-30/06/2026
STATEMENT OF CHANGES IN EQ UTITY							
STATEMENT OF CHANGES IN EQ UTITY							
Equity at beginning of period (before adjustments)	77,020	(360)	55,492	(90)	14,172	65	146,169
Equity at beginning of period (after adjustments)	77,020	(360)	55,492	(90)	14,172	65	146,169
CHANGES IN EQ UTITY							
COMPREHENSIVE INCOME							
Net Profit / (Loss) for the Period			9,343				9,343
Other comprehensive income		316					316
Total comprehensive income		316	9,343				9,659
Sale of treasury shares				(49)		17	(66)
Transfer to reserves			(446)		446		0
Dividends			13,001				13,001
Total increase (decrease) in equity		316	(4,104)	(49)	446	17	(3,408)
Equity at end of period	77,020	(44)	51,388	(139)	14,618	82	142,761

Statement of changes in equity	Share Capital	Reserve of cash flow hedges	Retained earnings (accumulated Losses)	Share premium	Statutory reserve	Thousands/Omani Rial/Unaudited	
	Standalone	Standalone	Standalone	Standalone	Standalone	Treasury shares	Standalone
	01/01/2025-30/06/2025	01/01/2025-30/06/2025	01/01/2025-30/06/2025	01/01/2025-30/06/2025	01/01/2025-30/06/2025	01/01/2025-30/06/2025	01/01/2025-30/06/2025
STATEMENT OF CHANGES IN EQ UTITY							
STATEMENT OF CHANGES IN EQ UTITY							
Equity at beginning of period (before adjustments)	77,020	0	56,895	0	12,405	0	146,320
Equity at beginning of period (after adjustments)	77,020	0	56,895	0	12,405	0	146,320
CHANGES IN EQ UTITY							
COMPREHENSIVE INCOME							
Net Profit / (Loss) for the Period			9,327				9,327
Other comprehensive income							0
Total comprehensive income			9,327				9,327
Transfer to reserves			(933)		933		0
Dividends			17,306				17,306
Total increase (decrease) in equity			(8,912)		933		(7,979)
Equity at end of period	77,020	0	47,983	0	13,338	0	138,341

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Abraj Energy Services SAOG (the “Company”) is a public joint stock company registered in the Sultanate of Oman. The Company was incorporated on 24 May 2006 and commenced its commercial operations on 4 March 2007. The Company was a closed joint stock company till 31 December 2022. During year 2022, the Company initiated the transformation from closed to a public joint stock company. The Company became a public joint stock company on 14 March 2023. The Company is a subsidiary of OQ SAOC (the “Parent Company”) which is a closed joint stock company incorporated in Sultanate of Oman. The ultimate controlling party is Oman Investment Authority (the “Ultimate Parent”), the investment arm of the Government of Sultanate of Oman.

The registered address of the Company is PO Box 1156, Postal Code 130, Azaiba, Sultanate of Oman.

The principal activities of the Company are to provide Oilfield Services which mainly includes services such as onshore drilling, workover, flowback, well testing, well intervention, cementing, fracturing, coil tubing, integrated project management, drilling fluids services and training services.

The Company has established two branches in the Kingdom of Saudi Arabia and Kuwait. In Kuwait, the Company signed a contract with Saudi Arabian Chevron Inc – Kuwait Gulf Oil Company to provide three rigs for a project in the Wafra fields of the Saudi Arabia-Kuwaiti neutral zone and has also provided performance guarantee of ~~5~~ 5.4 million to Kuwait Gulf Oil Company. During January 2024, Rig-112 arrived in Kuwait and started the drilling operations from 19 March 2024. Further, the second Rig arrived in Kuwait and started the drilling operations from 11 July 2024. The third Rig arrived in Kuwait and started the drilling operations from 11 June 2026. For Saudi Arabia branch, as at 30 June 2026 no business activities have taken place as the Company is getting itself pre-qualified with Saudi Aramco.

2 BASIS OF PREPARATION

2.1 Statement of compliance and basis of measurement

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Company has prepared the condensed interim financial statements on the basis that it will continue to operate as a going concern.

The condensed interim financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2025.

Functional and presentation currency

The condensed interim financial statements have been presented in Rial Omani (~~ر.ع.ع~~ or “RO”) which is the functional and presentation currency. The condensed interim financial statements have been rounded off to the nearest thousand, unless otherwise stated.

2.2 Application of new and revised International Financial Reporting Standards

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Three amendment applies for the first time in 2026, but does not have an impact on the condensed interim financial statements of the Company.

- Annual Improvements to IFRS Accounting Standards - Volume 11
- Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

3 PROPERTY AND EQUIPMENT

During the six months ended 30 June 2026, the Company acquired assets with a cost of ~~17~~ 17,817 thousand (31 December 2025: ~~10~~ 10,362 thousand), this acquisition is mainly for Drilling and Workover.

The condensed interim financial statements were approved by the board of directors on 27-July-2026

3 PROPERTY AND EQUIPMENT (continued)

Assets with a net book value of **£** 1,090 thousand were disposed during the six months ended 30 June 2026 (30 June 2025: **£** 18 thousand) resulting in a net loss on disposal of **£** 931 thousand (30 June 2025: **£** 7 thousand).

At 30 June 2026, capital work in progress represents cost for the upgradation of existing rigs and construction of new rigs.

4A TRADE RECEIVABLES

	30 June 2026 (Unaudited) £ '000	31 December 2025 (Audited) £ '000
Trade receivables from non - related parties	32,843	25,887
Trade receivable from a related party (note 19)	4,334	3,969
	37,177	29,856
Contract assets – accrued revenue	10,836	11,049
	48,013	40,905
Less: allowance for expected credit losses	(186)	(186)
	47,827	40,719

The ageing of trade receivables at the reporting date was:

	30 June 2026		31 December 2025	
	Gross £ '000	Expected credit loss £ '000	Gross £ '000	Expected credit loss £ '000
Not due	30,277	4	24,101	17
Due within 1-90 days	5,435	2	5,366	15
Due within 91-180 days	1,021	9	83	3
Due within 181-270 days	83	4	55	3
Due within 271-360 days	11	1	77	15
More than one year	350	166	174	133
	37,177	186	29,856	186

The condensed interim financial statements were approved by the board of directors on 27-July-2026

Notes to the condensed interim financial statements
For the six months ended 30 June 2026 (Unaudited)

The movement in the allowance for expected credit losses in respect of trade receivables is as follows:

	30 June 2026 (Unaudited) س'000	31 December 2025 (Audited) س'000
At beginning of the period/year	186	184
Add: charge for the period/year	-	2
	186	186

At the period end, total trade receivables as mentioned above are assigned in favor of commercial banks under the terms of the facility (note 11).

The Company has a concentration of credit risk with respect to trade receivables and, at the reporting date, 91% (31 December 2025: 83%) of trade receivables are due from four customers.

These are reputable customers with a good track record of payments and the Company monitors the receivable position on a regular basis.

4B ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) س'000	31 December 2025 (Audited) س'000
VAT receivable	621	1,078
Advance to liquidity provider (note 8)	909	975
Prepayments	883	480
Advance to suppliers	225	150
Other receivable	1,369	329
	4,007	3,012

5 INVENTORIES

	30 June 2026 (Unaudited) س'000	31 December 2025 (Audited) س'000
Stores, spares and consumables	27,844	28,129
Provision for slow moving, obsolete and defective inventories	(1,081)	(993)
	26,763	27,136

The condensed interim financial statements were approved by the board of directors on 27-July-2026

Notes to the condensed interim financial statements
For the six months ended 30 June 2026 (Unaudited)

Movement in the provision for slow moving, obsolete and defective inventories is as follows:

	30 June 2026 (Unaudited) ﷌'000	31 December 2025 (Audited) ﷌'000
At beginning of the period/year	993	659
Add: charge for the period/year	88	334
	<u>1,081</u>	<u>993</u>

6 CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited) ﷌'000	31 December 2025 (Audited) ﷌'000
Cash on hand	6	15
Cash at bank	3,495	7,035
	<u>3,501</u>	<u>7,050</u>

Bank balances are placed with reputed commercial banks in Oman and are denominated in Rial Omani. Further, bank balances are not considered to be credit impaired as there is no significant increase in credit risk. Accordingly, the management of the Company estimates the loss allowance on bank balances at the end of the reporting period at an amount equal to 12 months ECL, which is not material and therefore not recognized in the condensed interim financial statements.

7 SHARE CAPITAL

	30 June 2026 (Unaudited) ﷌'000	31 December 2025 (Audited) ﷌'000
Share capital		
<i>Authorized share capital</i>		
2,000,000,000 (2025: 2,000,000,000) shares of 100 Baisa each	200,000	200,000
<i>Issued and paid up share capital</i>		
770,200,000 (2025: 770,200,000) shares of 100 Baisa each	77,020	77,020

Approved / paid dividend

In the Annual General Meeting (AGM) held in March 2026, the shareholders approved to pay a dividend of 16.88 baisa per share amounting to ﷌ 13,001 thousand for the financial year ended 31 December 2025 which was paid in March 2026 (2025: ﷌ 22.47 baisa per share amounting to ﷌ 17,306 thousand for the financial year ended 31 December 2024 which was paid in March 2025).

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8 TREASURY SHARES

The Company engaged a third party licensed liquidity provider on Muscat Securities Exchange (MSX) to facilitate the selling and buying of its own shares. Under the agreement, the gains and losses on trading of shares by the liquidity provider will accrue to the Company. At 30 June 2026, the liquidity provider held 0.817 million shares on behalf of the Company at par value. Additionally, the Company has provided an advance to the liquidity provider amounting to ~~₹~~ 0.9 million (31 December 2025: ~~₹~~ 975) [note 4b].

The premium recognized on trading in its shares is recorded as "Reserve on trading of treasury shares". Such reserve which amounted to ~~₹~~ 139 thousand is classified under equity.

Net movement in treasury shares is presented in the statement of cashflows as cashflow from financing activities as below:

	<i>30 June</i> <i>2026</i> <i>(Unaudited)</i> ₹ '000	<i>31 December</i> <i>2025</i> <i>(Audited)</i> ₹ '000
Movement in treasury shares at par value	82	65
Movement in reserve on trading of treasury shares	139	90
	<u>221</u>	<u>155</u>

9 LEGAL RESERVES

Under the Article 132 of the Commercial Companies Law, requires that 10% of the Company's profit be transferred to a non-distributable legal reserve until the amount of legal reserve becomes equal to one-third of the Company's share capital. During the period, the Company transferred amount of ~~₹~~ 446 thousand (2025: ~~₹~~ 933 thousand) to the legal reserve. This reserve is not available for distribution.

10 CASH FLOW HEDGE RESERVE

The Company entered into and designated interest rate swaps (IRS) as cash flow hedges of its USD-denominated term loans. These hedges cover the full notional amount and entire tenor of the underlying loans and were assessed to be fully effective. The Company manages its cashflow interest rate risk by using floating-to-fixed IRS. At the reporting date, the fair value of the swaps was recognised as a derivative liability of **£52** thousand, with **£44** thousand (net of tax) recorded in the cash flow hedge reserve within equity.

Movement in reserve during the period is as follows:

	30 June 2026 (Unaudited) £'000	31 December 2025 (Audited) £'000
Fair values movement in hedges	52	424
Deferred tax	(8)	(64)
At end of the period/year	44	360
Current	5	120
Non - current	47	304
	52	424

11 TERM LOANS

	Maturity	30 June 2026 (Unaudited) £'000	31 December 2025 (Audited) £'000
Term loan A	February 2030	17,176	19,467
Term loan B [note 11 (a)]	December 2030	20,250	22,500
Term loan C [note 11 (b)]	December 2031	27,193	21,842
Term loan D	December 2032	17,923	20,674
Term loan E	May 2033	4,266	4,570
Term loan F [note 11 (c)]	March 2034	10,070	-
Term loan G [note 11 (d)]	February 2034	14,615	-
		111,493	89,053
Non-current portion			
Term loan A	February 2030	12,596	14,887
Term loan B	December 2030	15,750	18,000
Term loan C	December 2031	23,145	18,606
Term loan D	December 2032	15,169	16,539
Term loan E	May 2033	3,657	3,961
Term loan F	March 2034	9,070	-
Term loan G	February 2034	14,615	-
		94,002	71,993

The condensed interim financial statements were approved by the board of directors on 27-July-2026

The condensed interim financial statements were approved by the board of directors on 27-July-2026

11 TERM LOANS (continued)

	<i>Maturity</i>	<i>30 June 2026 (Unaudited) S'000</i>	<i>31 December 2025 (Audited) S'000</i>
Current portion			
Term loan A	February 2030	4,580	4,580
Term loan B	December 2030	4,500	4,500
Term loan C	December 2031	4,048	3,236
Term loan D	December 2032	2,754	4,135
Term loan E	May 2033	609	609
Term loan F	March 2034	1,000	-
Term loan G	February 2034	-	-
		17,491	17,060

(a) Term loan B

The Company obtained Islamic term financing in December 2023. The facility is repayable in 28 quarterly instalments, with the final instalment due in December 2030. The profit rate is fixed for the first year and thereafter is based on the Central Bank of Oman's Weighted Average Interest Rate on Deposit (WAIRD) for private sector OMR time deposits, plus a fixed margin, for the remaining tenor of the facility. In addition, the Company has obtained an additional term financing facility to support the acquisition of two new rigs.

(b) Term loan C

The Company obtained Sharia-compliant term financing in July 2024. The facility is repayable in 28 quarterly instalments, with the final instalment due in December 2031. The profit rate is based on the Central Bank of Oman's Weighted Average Interest Rate on Deposit (WAIRD) for private sector OMR time deposits, plus a fixed margin, for the tenor of the facility.

(c) Term loan F

The Company obtained a Sharia-compliant term financing facility during Q1 2026 to fund 2025 operating CAPEX and the acquisition of a new rig. The facility is repayable in 32 quarterly instalments, with the final instalment due in March 2034. The profit rate is fixed for the first two years and thereafter is based on the Central Bank of Oman's Weighted Average Interest Rate on Deposit (WAIRD) for private sector OMR time deposits, plus a fixed margin, for the remaining tenor of the facility.

(d) Term loan G

The Company obtained a Sharia-compliant term financing facility during Q1 2026 to fund operating CAPEX and the acquisition of a new rig. The facility is repayable in 32 quarterly instalments, with the final instalment due in February 2034. The profit rate is fixed for the first three years and thereafter is based on the higher of 1 year BM Fixed Deposit rate, plus a fixed margin and Central Bank of Oman's Weighted Average Interest Rate on Deposit (WAIRD) for private sector S'000 time deposits, plus a fixed margin, for the remaining tenor of the facility.

Short term loan

The Company obtained a short-term facility during the period amounting to S'000 10 million to support working capital and liquidity requirements. The facility will be repaid in the ordinary course of business during the financial year.

Security terms for all the above loans

- Clean loan with no mortgage / charge on the assets financed.
- Assignment of respective Company's revenues for the assets financed by the bank (note 4a).
- Negative lien over the assets financed through management undertaking to the bank.

The condensed interim financial statements were approved by the board of directors on 27-July-2026

Notes to the condensed interim financial statements
For the six months ended 30 June 2026 (Unaudited)

The Company has complied with all the financial covenants of its borrowing facilities which relate to 'Total liabilities to Net worth', Total Debt to Net Worth ratios as at 30 June 2026.

12 CAPEX ADVANCES

The capex advances amounted to **﷌** 27,867 thousand (31 December 2025: **﷌** 13,614 thousand). Capex advances represents pre-delivery payments for long-lead items tied to rig expansion and new rig construction.

13A TRADE PAYABLES

	<i>30 June</i> <i>2026</i> <i>(Unaudited)</i> ﷌'000	<i>31 December</i> <i>2025</i> <i>(Audited)</i> ﷌'000
Trade payables to non - related parties	6,431	6,256
Trade payables to related parties (note 19)	290	332
Payables to related parties not invoice (note 19)	371	309
Payables to non - related parties not invoice	11,053	7,487
	18,145	14,384

13B OTHER PAYABLES

	<i>30 June</i> <i>2026</i> <i>(Unaudited)</i> ﷌'000	<i>31 December</i> <i>2025</i> <i>(Audited)</i> ﷌'000
Accrued expenses	5,855	2,405
Leave encashment accrual	3,890	3,054
Performance bonus accrual	931	1,542
Accrued interest on term loans	735	822
Social security accrual	527	555
Retention payable	189	92
Payable to customers	155	67
	12,282	8,537

The condensed interim financial statements were approved by the board of directors on 27-July-2026

14 REVENUE

	<i>Unaudited</i>			
	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	<i>﷌'000</i>	<i>﷌'000</i>	<i>﷌'000</i>	<i>﷌'000</i>
Revenue from contracts with customers				
<i>Disaggregation of revenue:</i>				
<i>Revenue recognized over time:</i>				
Service revenue - drilling, work over, well services and maintenance	30,581	28,177	58,818	57,253
Mobilization Revenue	304		581	364
<i>Revenue recognized point in time:</i>				
Contract revenue - product	2,180	2,268	4,151	4,007
	33,065	30,445	63,550	61,624
<i>Other revenue:</i>				
Leased operating assets	6,249	5,702	11,780	11,319
	39,314	36,147	75,330	72,943

All revenues are generated from Oman and Kuwait markets. The revenue disaggregated by primary geographical markets and major products is disclosed in note 22.

The Company leases out some assets these are classified as operating leases, because they do not transfer substantially all the risks and rewards incidental to the ownership of the assets.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after reporting date.

	<i>30 June</i>	<i>30 June</i>
	<i>2026</i>	<i>2025</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>﷌'000</i>	<i>﷌'000</i>
Less than one year	10,058	9,983
One to two years	8,947	8,367
Two to three years	3,825	6,516
Three to four years	3,126	1,499
Four to five years	1,295	685
More than five years	1,672	899
	28,924	27,949

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15 COST OF REVENUE

	(Unaudited)			
	Three months ended		Six months ended	
	30 June		30 June	
	2026	2025	2026	2025
	<u>﷼</u> '000	<u>﷼</u> '000	<u>﷼</u> '000	<u>﷼</u> '000
Employee related cost	12,301	11,814	24,459	23,644
Depreciation and amortization	5,103	5,267	10,186	10,588
Materials and spares consumed	5,065	5,147	9,845	9,873
Transportation	2,364	2,083	4,147	4,691
Camp and catering cost	1,011	924	1,911	1,855
Reimbursable cost	1,220	319	1,648	535
Repairs and maintenance	706	374	1,175	835
Equipment rentals	569	593	891	1,245
Vehicle rentals	269	221	543	437
Insurance	205	205	407	405
Vehicle running	115	150	237	299
Inspection	71	90	187	166
Mobilization and demobilization expenses	58	12	115	12
Communication	52	123	111	192
Water and electricity	29	44	88	93
Business travel	23	17	37	32
Legal and professional charges	11	4	24	5
	<u>29,172</u>	<u>27,387</u>	<u>56,011</u>	<u>54,907</u>

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16 GENERAL AND ADMINISTRATIVE EXPENSES

	(Unaudited)			
	Three months ended		Six months ended	
	30 June		30 June	
	2026	2025	2026	2025
	<u>﷌</u> '000	<u>﷌</u> '000	<u>﷌</u> '000	<u>﷌</u> '000
Employee related costs	1,676	1,409	3,100	2,822
Loss on disposal of property and equipment	538	-	931	7
Repairs and maintenance	240	187	392	347
Depreciation and amortization	159	165	331	243
Advertisement and sales promotion	102	99	151	121
Legal and professional charges	73	30	98	149
Directors - other remuneration (note 19)	44	62	88	100
Subscription and membership	21	2	76	85
Insurance	20	30	64	60
Business travel	14	18	30	34
Directors - sitting fees (note 19)	17	6	24	9
Vehicle rentals	9	7	18	18
Food expenses	11	3	15	8
Rent	3	11	13	22
Vehicle running	7	4	12	8
Communication	3	7	9	13
Miscellaneous	127	76	154	158
	<u>3,064</u>	<u>2,116</u>	<u>5,506</u>	<u>4,204</u>

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17 FINANCE COSTS AND FINANCE INCOME

An analysis of finance cost is set out below:

	(Unaudited)			
	Three months ended		Six months ended	
	30 June		30 June	
	2026	2025	2026	2025
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<i>An analysis of finance cost is set out below:</i>				
Interest on long term loans	1,153	1,236	2,341	2,489
Interest on short term loans	45	204	159	233
Bank charges / exchange fluctuations	119	72	182	155
Interest on lease liabilities	48	51	134	106
	<u>1,365</u>	<u>1,563</u>	<u>2,816</u>	<u>2,983</u>

An analysis of finance income is set out below:

Interest income on call accounts	12	-	18	-
Other finance income	7	67	15	146
	<u>19</u>	<u>67</u>	<u>33</u>	<u>146</u>

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18 INCOME TAX EXPENSE

The Company is liable for income tax, in accordance with the income tax laws of Sultanate of Oman, at the rate of 15% of taxable income.

The Company's effective tax rate is 15.3% (30 June 2025: 15.1%). Recognized in the statement of profit or loss and comprehensive income:

	<i>(Unaudited)</i>			
	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	<i>﷌'000</i>	<i>﷌'000</i>	<i>﷌'000</i>	<i>﷌'000</i>
Statement of profit or loss:				
<i>Current tax:</i>				
Current period	951	870	1,848	1,836
Prior period	-	12	-	12
<i>Deferred tax</i>				
Current period	(97)	(88)	(155)	(187)
	<u>854</u>	<u>794</u>	<u>1,693</u>	<u>1,661</u>

The following is a reconciliation of income taxes calculated at the applicable tax rate with the income tax expenses:

	<i>(Unaudited)</i>			
	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	<i>﷌'000</i>	<i>﷌'000</i>	<i>﷌'000</i>	<i>﷌'000</i>
Reconciliation				
Profit before tax	5,738	5,218	11,036	10,988
	<u>860</u>	<u>782</u>	<u>1,655</u>	<u>1,648</u>
Income tax as per rates mentioned above	-	-	38	1
Non-deductible expenses	(6)	-	-	-
Adjustments	-	12	-	12
Prior year adjustment- current tax	<u>854</u>	<u>794</u>	<u>1,693</u>	<u>1,661</u>
Tax expense for the year				

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The deferred tax (liability) / asset comprises the following temporary differences:

			Recognised in other	
2026	As at 1 January £'000	Recognised in profit or loss £'000	comprehensive income £'000	As at 30 June £'000
Deferred tax liabilities				
Property and equipment	3,184	(240)	-	2,944
Contract fulfilment costs	38	144	-	182
	<u>3,222</u>	<u>(96)</u>	<u>-</u>	<u>3,126</u>
Deferred tax assets				
Provision for impairment	28	-	-	28
Contract liabilities	427	46	-	473
Provision for inventories	149	13	-	162
Derivative financial instruments	64	-	(56)	8
Right-of-use assets and lease liabilities	22	-	-	22
	<u>690</u>	<u>59</u>	<u>(56)</u>	<u>693</u>
			Recognised in other	
2025	As at 1 January £'000	Recognised in profit or loss £'000	comprehensive income £'000	As at 30 June £'000
Deferred tax liabilities				
Property and equipment	3,627	(162)	-	3,465
Contract fulfilment costs	14	8	-	22
	<u>3,641</u>	<u>(154)</u>	<u>-</u>	<u>3,487</u>
Deferred tax assets				
Provision on donation	2	-	-	2
Provision for impairment	28	-	-	28
Contract liabilities	258	(6)	-	252
Provision for inventory	99	36	-	135
Right-of-use assets and lease liabilities	16	3	-	19
	<u>403</u>	<u>33</u>	<u>-</u>	<u>436</u>

The tax returns of the Company up to the years 2020 have been agreed with the Tax Authority of the Sultanate of Oman. The Board of Directors are of the opinion that additional taxes, if any, related to the open tax years would not be significant to the Company's financial position as at 30 June 2026.

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On 31 December 2024, Oman issued Royal Decree Number 70/2024, enacting new global minimum tax rules to align with the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (“BEPS”) Pillar Two project. Under Pillar Two, multinational enterprises (MNEs) whose group annual revenue exceeds EUR 750 million (in two of the last four years) are liable to pay corporate income tax at minimum effective tax rate of 15% in each jurisdiction they operate. The enacted law includes the implementation of a Domestic Minimum Top-up Tax (DMTT) and Income Inclusion Rule (IIR). These rules are effective for fiscal years beginning on or after 1 January 2025.

For the period ended 30 June 2026, the Company did not recognise any current tax expense related to Pillar Two income taxes, on the basis that the effective tax rate for the Parent Company in Oman jurisdiction exceeds the minimum threshold of 15%.

Based on the assessment performed to date, the Company does not expect the application of Pillar Two to result in a material top-up tax liability.

19 RELATED PARTY TRANSACTIONS AND BALANCES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The transactions between related parties are carried out at mutually agreed terms which are agreed between the management of the Company and the management of the respective related party. The significant transactions entered into by the Company with related parties, other than those disclosed elsewhere in these financial statements, are as follows:

	<i>(Unaudited)</i>			
	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	<i>س'000</i>	<i>س'000</i>	<i>س'000</i>	<i>س'000</i>
Sale of goods and services				
Revenue from OQ Exploration and Production SAOG (entity under common control) - Drilling and workover and well services	5,285	5,030	10,668	10,235
Purchases of goods and services				
Fuel, lubricants and others from Oman Oil				
Marketing Company SAOG (entity under common control)	753	888	1,391	1,924
Directors remuneration and sitting fees				
Directors – other remunerations (note 16)	44	62	88	100
Directors – sitting fees (note 16)	17	6	24	9
	61	68	112	109
Key management compensation				
Short term employee benefits	199	306	607	676
Post employment benefits	2	-	4	6
	201	306	611	682

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19 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	<i>30 June 2026 (Unaudited) ﷌'000</i>	<i>31 December 2025 (Audited) ﷌'000</i>
Related party balances		
Receivable from the OQ Exploration and Production SAOG (entity under common control) (note 4a)	4,328	3,969
Drilling and workover and well services		
Receivable from OQ SAOC – Parent Company (note 4a)	2	-
Receivable from OQ Gas Network SAOG (entity under common control) (note 4a)	4	-
	<u>4,334</u>	<u>3,969</u>
	<u><u>4,334</u></u>	<u><u>3,969</u></u>
 Payable to Oman Oil Marketing Company SAOG (entity under common control) (note 13a)	 661	 481
Payable to OQ SAOC – Parent Company (note 13a)	-	160
	<u>661</u>	<u>641</u>
	<u><u>661</u></u>	<u><u>641</u></u>

Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables except for guarantees given to OQ Exploration and Production SAOG amounting to **﷌** 633,849 (2025: **﷌** 432,465). The expected credit losses on the related party receivable balances have been disclosed in note 4a.

In accordance with IAS 24 "Related Party Disclosures", the Company has chosen to avail partial exemption under IAS 24 available to government entities, including the Oman Investment Authority (OIA) and other entities controlled, jointly controlled, or significantly influenced by the Government of Oman. All individually significant transactions and balances are disclosed in the notes above. There are no other transactions that are individually insignificant but collectively significant.

20 CONTINGENT LIABILITIES

	<i>30 June 2026 (Unaudited) ﷌'000</i>	<i>31 December 2025 (Audited) ﷌'000</i>
Bank guarantees	25,180	29,713
Legal cases	441	441
	<u>25,621</u>	<u>30,154</u>
	<u><u>25,621</u></u>	<u><u>30,154</u></u>

The major portion of contingent liability for legal cases is relating to an amount of **﷌** 441 thousand (31 December 2025: **﷌** 441) for which a case is filed by one of the employees in the Court of Investment and Commerce. The Company has made adequate provisions for the claim.

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21 COMMITMENTS

As at 30 June 2026, the Company had contractual capital commitments of ~~£~~ 64,995 thousand (31 December 2025: ~~£~~ 50,576 thousand) relating to property and equipment.

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22 SEGMENT REPORTING

The Company has the two reportable segments: Drilling and Work Over, Well Services and Others. All revenues are generated in the Oman and Kuwait market.

Information related to each reportable segment is set out below. Segment profit/(loss) before tax is used to measure performance because the chief executive officer, who acts as chief operating decision maker believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

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Notes to the condensed interim financial statements
For the six months ended 30 June 2026 (Unaudited)

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ABRAJ ENERGY SERVICES SAOG

22 SEGMENT REPORTING (continued)

The financial information that the chief operating decision makers reviews for Drilling and Workover and Well services & others are as follows:

	<i>For six months ended 30 June 2026</i>								
	<i>Drilling & Workover</i>			<i>Well Services & Other's</i>			<i>Total</i>		
	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>
	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>
Revenue	61,710	4,167	65,877	9,453	-	9,453	71,163	4,167	75,330
Net profit for the period	8,090	270	8,360	983	-	983	9,073	270	9,343
	<i>As at 30 June 2026</i>								
	<i>Drilling & Workover</i>			<i>Well Services & Other's</i>			<i>Total</i>		
	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>
	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>
Total segment assets	255,623	32,096	287,719	23,103	138	23,241	278,726	32,234	310,960
Total segment liabilities	123,920	31,707	155,627	12,435	137	12,572	136,355	31,844	168,199
Capital expenditure	23,169	5,596	28,765	664	-	664	23,833	5,596	29,429
	<i>For the six months period ended 30 June 2025</i>								
	<i>Drilling & Workover</i>			<i>Well Services & Other's</i>			<i>Total</i>		
	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>	<i>Oman</i>	<i>Kuwait</i>	<i>Total</i>
	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>	<i>﷼'000</i>
Revenue	59,468	3,386	62,854	10,089	-	10,089	69,557	3,386	72,943
Net profit for the period	8,733	124	8,857	470	-	470	9,203	124	9,327

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22 SEGMENT REPORTING (continued)

	As at 31 December 2025								
	Drilling & Workover			Well Services & Other's			Total		
	Oman S'000	Kuwait S'000	Total S'000	Oman S'000	Kuwait S'000	Total S'000	Oman S'000	Kuwait S'000	Total S'000
Total segment assets	239,073	24,339	263,412	21,173	105	21,278	260,246	24,444	284,690
Total segment liabilities	103,897	24,270	128,167	10,249	105	10,354	114,146	24,375	138,521
Capital expenditure	22,055	3,109	25,164	1,248	9	1,257	23,303	3,118	26,421

All property and equipment's are located in Oman and Kuwait.

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23 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base to sustain future development of the business. The management monitors the return on equity, which the Company defines as net profit divided by total shareholders' equity on weighted average basis. No significant changes were made in the objectives, policies or processes during the period ended 30 June 2026 and year ended 31 December 2025.

24 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the financial assets and liabilities approximates their carrying value as stated in the statement of financial position unless stated otherwise.

25 GEOPOLITICAL UNCERTAINTY

During the reporting period, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasize the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

The Company has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it does not have material financial effect of this situation on the condensed interim financial statements as at 30 June 2026.

26 CORRESPONDING FIGURES

Certain corresponding figures for period ended 30 June 2026 have been reclassified in order to confirm to the presentation for the current period. Such reclassifications do not affect previously reported profit or shareholder's equity.

Filing Information	01/04/2026-30/06/2026
GENERAL INFORMATION ABOUT FINANCIAL STATEMENTS	
Type of company	SAOG
Commercial Registration (CR) number	1844555
Name of reporting entity	ABRAJ ENERGY SERVICES SAOG
Listing status	Listed
Ticker code (Symbol)	ABRJ
Licensing Status	Not Licensed with FSA
Licensed for	Not Applicable
Type of Fund	Not Applicable
Sector	Services Sector
Sub-sector	Oil and Gas
Category of filer	Services Companies
Reporting period frequency	Quarter 2
Whether reporting entity is preparing financial statements for the first financial period since its establishment	No
Reporting period start date	01/04/2026
Reporting period end date	30/06/2026
Description of reporting currency	Omani Rial
Level of rounding off for monetary values	Thousands
Description of nature of financial statements	Unaudited
Preparation format	Standalone