

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.