

Chairman's Report

Dear Shareholders,

On behalf of the Board of Directors of Abraj Energy Services SAOG, I am pleased to present the condensed interim financial statements for the six-month period ended 30th June 2025.

The Company specializes in providing services for Oil and Gas Wells, during and post wells construction. From building a wider service portfolio, Abraj now focuses on strategic top-tier services coupled with strong operational efficiency to realize maximum financial returns and sustainable growth. Abraj continues to benefit from the strength of long-term contracts in generating sufficient cash flow for growth.

Abraj Energy services SAOG Performance:

Operational performance:

We are pleased to report strong and steady HSE performance companywide, with all key indicators well within target thresholds. The Lost Time Injury Frequency (LTIF) stands at an impressive 0.20, and the Total Recordable Case Frequency (TRCF) at 0.69, reflecting the effectiveness of our proactive safety initiatives and the ongoing commitment of our workforce. Our performance has been externally recognized through several prestigious awards from our clients, including the Zero Harm Award and the Road Traffic Safety Award from Occidental, highlighting our leadership in operational safety and road traffic management.

While the overall safety record remains excellent, we continue to prioritize continuous improvement. A single Lost Time Injury (LTI) was recorded at Rig 111 in February, and one recordable incident at Rig 205 in January. Both incidents were promptly addressed, and comprehensive reviews are underway to ensure best practices are reinforced across all sites. Importantly, no systemic issues were identified. Additionally, we successfully completed our ISO 14001 re-certification audit in Q2 2025, further reinforcing our commitment to environmental stewardship and high operational standard.

Drilling and Workover:

The Main highlights to be noted is the signing of key contracts for 6 new rigs for PDO for 6 years. Additionally, the management was able to re-deploy rig-305 back to BP operations by end of this year for a new contract duration of 3 + 2 years.

In terms of operational performance across all active rigs reached a new benchmark, with 99.15% productive time and only 0.85% non-productive time (NPT). All wells were delivered ahead of AFE timelines, reflecting meticulous planning, disciplined execution, and strong cross-functional collaboration. Notably, Rig 211 set a milestone in Kuwait by completing a 1500HP rig move in just 14 hours, showcasing exceptional field agility and coordination.

In terms of asset deployment and cost efficiency, Rig 204 was swiftly redeployed post-CC Energy operations, minimizing downtime and preserving asset value through proactive client engagement. Year-to-date, 167 rig moves have been completed, resulting in cost savings of OMR 160K above budget. Additionally, procurement discipline was strengthened, with a 19% reduction in PO spend and a 21% decrease in PO creation, underscoring robust cost governance.

Well Services:

The Well Services team delivered a strong operational performance, achieving low NPT and high asset utilization across cementing and stimulation operations

Key Financials of your company:

Revenue has decreased during the six months ended 30th June 2025, compared to the same period in 2024, by 6.4% from OMR 77.9 M to OMR 72.9 M, primarily attributed to stacked rigs. Efforts are ongoing to re-deploy these rigs back to operation.

Total expenses during the first half of the year 2025 decreased by 5.4% compared to the same period in 2024, from OMR 67.2 M to OMR 63.6 M. This reduction is consistent with the drop in revenue.

Profit after tax for the six months ended 30th June 2025 decreased by 12.6%, from OMR 10.67 M in the same period of 2024 to OMR 9.327M.

Corporate Social Responsibility (CSR):

In Q2 2025, Abraj reinforced its commitment to social responsibility by supporting educational, cultural, and community development initiatives. These contributions reflect the company’s dedication to fostering meaningful impact across its core CSR pillars. In parallel, Abraj is assessing strategic and joint CSR initiatives in collaboration with public and private sector stakeholders to further align its efforts with national development priorities and create long-term shared value.

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Acknowledgements:

On behalf of the Board of Directors, I take this opportunity to express their sincere and deep gratitude to the vision and wise leadership of the country’s leader His Majesty Sultan Haitham bin Tariq for maintaining the sustainable growth and prosperity of the Omani Economy. Abraj Board also appreciates the valuable support and guidance from

the various stakeholders such as Government agencies, Shareholders, Clients, Management, Employees, Bankers, and Suppliers.

Ayad Al Balushi

Chairman of the Board

Statement of Financial Position, Current, Non-current	Thousands/Omani Rial/Unaudited		
	Standalone 30/06/2025	Standalone 30/06/2024	Standalone 31/12/2024
STATEMENT OF FINANCIAL POSITION			
CONSOLIDATED AND SEPARATE			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	193,532	203,745	201,173
Intangible assets other than goodwill	131	189	173
Right-of-use assets	3,452	4,079	4,081
Other non-current financial assets	2,687	15,706	1,050
Total non-current assets	199,802	223,719	206,477
CURRENT ASSETS			
Current inventories	28,510	27,724	28,416
Trade and other current receivables	49,620	41,113	42,951
Cash and bank balances	5,801	4,236	5,473
Other current financial assets	95	25	25
Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners	84,026	73,098	76,865
Total current assets	84,026	73,098	76,865
Total assets	283,828	296,817	283,342
EQUITY AND LIABILITIES			
EQUITY			
Share capital	77,020	77,020	77,020
Statutory reserve	13,338	11,785	12,405
Retained earnings (Accumulated losses)	47,983	51,315	56,895
Total equity	138,341	140,120	146,320
LIABILITIES			
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS			
Non-current provisions for employee benefits	2,279	2,440	2,398
Total non-current provisions	2,279	2,440	2,398
Borrowings, non-current			
Non-current lease liabilities	2,720	2,117	3,178
Deferred tax liabilities	3,051	3,729	3,238
Contract liabilities, non-current / Deferred non-current revenue	819	1,080	1,058
Total non-current liabilities	83,284	74,810	83,889
CURRENT LIABILITIES			
CURRENT PROVISIONS			
Trade and other current payables	27,433	45,501	30,912
Borrowings, current			
Current lease liabilities	859	2,234	1,012
Current tax liabilities, current	1,862	2,154	3,748
Contract liabilities, current/ Deferred current revenue	860	728	660
Total current liabilities other than liabilities included in disposal groups classified as held for sale	62,203	81,887	53,133
Total current liabilities	62,203	81,887	53,133
Total liabilities	145,487	156,697	137,022
Total equity and liabilities	283,828	296,817	283,342
Number of outstanding shares	770200000	770200000	770200000

Subclassifications of Assets, Liabilities and Equity, Current, Non-current	Thousands/Omani Rial/Unaudited		
	Standalone 30/06/2025	Standalone 30/06/2024	Standalone 31/12/2024
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			
CURRENT ASSETS			
INVENTORIES			
Spares and consumables	29,409	28,507	29,075
Allowance for slow moving and obsolete inventories	899	783	659
Total current inventories	28,510	27,724	28,416
TRADE AND OTHER CURRENT RECEIVABLES			
Accounts receivables	30,670	27,228	29,009
Receivables due from related parties	6,725	5,186	2,348
PREPAYMENTS AND ACCRUED INCOME			
Prepayments	879	862	481
Advances	224	463	185
Total prepayments and accrued income	1,103	1,325	666
Other receivables	11,306	7,542	11,112
Allowance for expected credit losses	184	168	184
Total trade and other current receivables	49,620	41,113	42,951
CASH AND CASH EQUIVALENTS			
CASH			
Cash on hand	10	16	5
Balances with banks	5,791	4,220	5,468
Total cash	5,801	4,236	5,473
CASH EQUIVALENTS			

INTERIM CONDENSED FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON
28 Jul 2025

Total cash and cash equivalents	5,801	4,236	5,473
Total cash and bank balances	5,801	4,236	5,473
OTHER CURRENT NON-FINANCIAL ASSETS			
EQUITY			
RESERVES			
LIABILITIES			
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS			
Employee End of Term Benefits, non current	2,279	2,440	2,398
Total Non-current provisions for employee benefits	2,279	2,440	2,398
BORROWINGS, NON CURRENT			
Borrowings from banks and other financial institutions, non current	74,415	65,444	74,017
Total Borrowings, non current	74,415	65,444	74,017
CURRENT LIABILITIES			
BORROWINGS, CURRENT			
Borrowings from banks and other financial institutions, current	14,189	14,270	16,801
Other short term borrowings	17,000	17,000	0
Total Borrowings, current	31,189	31,270	16,801
TRADE AND OTHER CURRENT PAYABLES			
Accounts payable	15,719	32,294	15,770
Payables to related parties	454	459	689
ACCRUALS AND DEFERRED INCOME			
Other payables	11,260	12,748	14,453
Total trade and other current payables	27,433	45,501	30,912
PROVISIONS FOR EMPLOYEE BENEFITS, CURRENT			

Income Statement, Function of expense	Thousands/Omani Rial/Unaudited			
	Standalone 01/04/2025-30/06/2025	Standalone 01/04/2024-30/06/2024	Standalone 01/01/2025-30/06/2025	Standalone 01/01/2024-30/06/2024
PROFIT OR LOSS				
CONSOLIDATED AND SEPARATE				
PROFIT OR LOSS				
Revenue	36,147	38,682	72,943	77,921
Cost of sales	27,387	28,833	54,907	57,887
Gross profit	8,760	9,849	18,036	20,034
General and administrative expense	2,116	2,333	4,204	4,149
Other operating gains (losses)	70	(330)	(7)	(357)
Profit (loss) from operating activities	6,714	7,186	13,825	15,528
Finance income	67	38	146	111
Finance costs	1,563	1,573	2,983	2,983
Profit (loss) before income tax	5,218	5,651	10,988	12,656
Income tax expense, continuing operations	794	931	1,661	1,986
Profit (loss) from continuing operations	4,424	4,720	9,327	10,670
Profit (loss) for period	4,424	4,720	9,327	10,670
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	0.014
Total basic earnings (loss) per share	0.006	0.006	0.012	0.014
DILUTED EARNINGS PER SHARE				

Statement of comprehensive income - Net of tax	Thousands/Omani Rial/Unaudited			
	Standalone 01/04/2025- 30/06/2025	Standalone 01/04/2024- 30/06/2024	Standalone 01/01/2025- 30/06/2025	Standalone 01/01/2024- 30/06/2024
STATEMENT OF COMPREHENSIVE INCOME				
CONSOLIDATED AND SEPARATE				
Net Profit / (Loss) for the Period	4,424	4,720	9,327	10,670
OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED TO STATEMENT OF INCOME IN SUBSEQUENT PERIODS				
OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO STATEMENT OF INCOME IN SUBSEQUENT PERIODS				
Total comprehensive income for the Period	4,424	4,720	9,327	10,670
COMPREHENSIVE INCOME ATTRIBUTABLE TO				

Analysis of Income and Expense, Function of Expense	Thousands/Omani Rial/Unaudited			
	Standalone 01/04/2025-30/06/2025	Standalone 01/04/2024-30/06/2024	Standalone 01/01/2025-30/06/2025	Standalone 01/01/2024-30/06/2024
ANALYSIS OF INCOME AND EXPENSE				
CONSOLIDATED AND SEPARATE				
REVENUE				
Sale of goods	2,268	1,243	4,007	2,950
Revenue from rendering of services	28,177	32,005	57,617	63,862
LEASE REVENUE				
Operating lease rentals	5,702	5,434	11,319	11,109
Total lease revenue	5,702	5,434	11,319	11,109
Total revenue	36,147	38,682	72,943	77,921
OTHER INCOME				
EXPENSES				
COST OF SALES				
Cost of material consumed	5,086	5,130	9,740	10,101
Employee benefit expense	11,814	12,096	23,644	24,632
Fuel and electricity	44	61	93	127
Depreciation, depletion and amortisation	5,267	5,529	10,588	11,285
Other cost of goods sold	5,176	6,017	10,842	11,742
Total cost of sales	27,387	28,833	54,907	57,887
GENERAL AND ADMINISTRATIVE EXPENSES				
Rent and utility expenses	11	200	12	200
Employee benefit expense	1,409	1,512	2,822	2,894
Director's remuneration and sitting fees	68	49	109	89
Depreciation, depletion and amortisation	165	105	243	211
Legal and professional expense	30	35	149	108
Vehicle expenses	11	7	26	17
Advertisement and business promotion	99	70	121	121
Other expenses and fees	323	355	722	509
Total General and administrative expenses	2,116	2,333	4,204	4,149
SELLING, DISTRIBUTION AND MARKETING EXPENSES				

INTERIM CONDENSED FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON
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Statement of cash flows, indirect method	Thousands/Omani Rial/Unaudited	
	Standalone 01/01/2025-30/06/2025	Standalone 01/01/2024-30/06/2024
STATEMENT OF CASH FLOWS		
CONSOLIDATED AND SEPARATE		
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit for the period before taxation	10,988	12,656
ADJUSTMENTS TO RECONCILE PROFIT (LOSS)		
Adjustments for depreciation and amortisation expense	10,831	11,496
Adjustments for increase (decrease) in employee benefit liabilities	265	273
Adjustments for finance costs	2,983	2,983
Adjustments for finance income	146	111
Adjustments for gain (loss) on disposals, property, plant and equipment	7	357
Other adjustments to reconcile profit (loss)	(142)	337
Total adjustments to reconcile profit (loss)	13,784	14,621
Cash flows from (used in) operations before changes in working capital	24,772	27,277
WORKING CAPITAL CHANGES		
Adjustments for decrease (increase) in inventories	(334)	(4,218)
Adjustment for decrease (increase) in trade and other receivables	(7,342)	731
Adjustments for increase (decrease) in trade and other payables	(4,646)	16,172
Adjustments for decrease (increase) in other working capital items	673	541
Total adjustments to working capital changes	(11,649)	13,226
Net cash flows from (used in) operations	13,123	40,503
Income taxes paid (refund)	(622)	(2,757)
Interest paid, classified as operating activities	(3,012)	(2,124)
Employees end of service benefits paid	(384)	(51)
Other inflows (outflows) of cash	377	720
Net cash flows from (used in) operating activities	9,482	36,291
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Proceeds from sales of property, plant and equipment	12	28
Purchase of property, plant and equipment	6,164	33,835
Interest received	146	111
Other inflows (outflows) of cash, classified as investing activities	(82)	(98)
Net cash flows from (used in) investing activities	(6,088)	(33,794)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from borrowings	42,753	17,000
Repayments of borrowings	27,967	5,578
Payments of lease liabilities	546	1,426
Dividends paid to equity holders of parent	17,306	16,328
Net cash flows from (used in) financing activities	(3,066)	(6,332)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	328	(3,835)
Net increase (decrease) in cash and cash equivalents	328	(3,835)
Cash and cash equivalents at beginning of period	5,473	8,071
Cash and cash equivalents at end of period	5,801	4,236

INTERIM CONDENSED FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON
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Statement of changes in equity	Thousands/Omani Rial/U n audited							
	Share Capital	Retained earnings (accumulated Losses)	Statutory reserve	Standalone	Share Capital	Retained earnings (accumulated Losses)	Statutory reserve	Standalone
	Standalone	Standalone	Standalone	01/01/2025-30/06/2025	Standalone	Standalone	Standalone	01/01/2024-30/06/2024
	01/01/2025-30/06/2025	01/01/2025-30/06/2025	01/01/2025-30/06/2025		01/01/2024-30/06/2024	01/01/2024-30/06/2024	01/01/2024-30/06/2024	
STATEMENT OF CHANGES IN EQ UITY								
STATEMENT OF CHANGES IN EQ UITY								
Equity at beginning of period (before adjustments)	77,020	56,895	12,405	146,320	77,020	58,040	10,718	145,778
Equity at beginning of period (after adjustments)	77,020	56,895	12,405	146,320	77,020	58,040	10,718	145,778
CHANGES IN EQ UITY								
COMPREHENSIVE INCOME								
Net Profit / (Loss) for the Period		9,327		9,327		10,670		10,670
Total comprehensive income		9,327		9,327		10,670		10,670
Transfer to reserves		(933)	933	0		(1,067)	1,067	0
Dividends		17,306		17,306		16,328		16,328
Total increase (decrease) in equity		(8,912)	933	(7,979)		(6,725)	1,067	(5,658)
Equity at end of period	77,020	47,983	13,338	138,341	77,020	51,315	11,785	140,120

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 now a subsidiary of OQ SAOC (the “Parent”) following the transfer of all the shares from OQ Exploration and Production SAOG during 2024, OQ SAOC 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. This includes the leasing of assets and products for the aforementioned activities.

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 RO 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. A client, Kuwait Gulf Oil Company (KGOC), has advised the Company to mobilize the third Rig in January 2026. For Saudi Arabia branch, as at 30 June 2025 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 2025 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 2024.

Functional and presentation currency

The condensed interim financial statements have been presented in Rial Omani (“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 Basis of preparation (continued)

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 2024, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the condensed interim financial statements of the Company.

Lack of exchangeability – Amendments to IAS 21

The amendments to IAS 21 the effect of change in foreign exchange rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

3 Property and equipment

During the period of six months ended 30 June 2025, the Company acquired assets with a cost of RO 2,597,737 (31 December 2024: RO 34,989,374), this acquisition is mainly for Drilling and Workover.

Assets with a net book value of RO 18,418 were disposed during the six month ended 30 June 2025 (30 June 2024: RO 329,000) resulting in a net loss on disposal of RO 6,810 (30 June 2024: RO 357,000).

4a Trade receivables

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Trade receivables from non - related parties	30,670	29,009
Trade receivable from a related party (note 17)	6,725	2,348
	37,395	31,357
Less: allowance for expected credit losses	(184)	(184)
	37,211	31,173
Contract assets – accrued revenue	10,266	8,962
At end of the period/year	47,477	40,135

4a Trade receivables (continued)

The ageing of trade receivables at the reporting date was:

	Gross	Expected credit loss	Gross	Expected credit loss
	2025	2025	2024	2024
	RO'000	RO'000	RO'000	RO'000
Not due	32,037	5	25,845	4
Due within 1-90 days	4,826	3	5,001	3
Due within 91-180 days	308	3	267	3
Due within 181-270 days	139	104	152	108
Due within 271-360 days	72	56	92	66
More than one year	13	13	-	-
	<u>37,395</u>	<u>184</u>	<u>31,357</u>	<u>184</u>

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

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
At beginning of the period/year	184	168
Add: charge for the period/year	-	16
At end of the period/year	<u>184</u>	<u>184</u>

At the period end, total trade receivables as mentioned above are assigned in favor of commercial banks under the terms of the facility (note 9).

The Company has a concentration of credit risk with respect to trade receivables and, at the reporting date, 88% (31 December 2024: 88%) 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 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Other receivable	1,040	2,150
Advance to suppliers	224	185
Prepayments	879	481
At end of period/year	<u>2,143</u>	<u>2,816</u>

5 Inventories

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Stores, spares and consumables	29,409	29,075
Provision for obsolete and defective inventories	(899)	(659)
At end of the period/year	<u>28,510</u>	<u>28,416</u>

Movement in the provision for inventories is as follows:

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
At beginning of the period/year	659	503
Add: charge for the period/year	240	156
At end of the period/year	<u>899</u>	<u>659</u>

6 Cash and cash equivalents

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Cash on hand	10	5
Cash at bank	5,791	5,468
	<u>5,801</u>	<u>5,473</u>

Bank balances are with reputed commercial banks in Oman and are denominated in Omani Rial. ECL on the cash and bank balances is not material and accordingly no adjustment has been accounted by the Company.

7 Share capital

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Share capital		
Authorized share capital 2,000,000,000 (2024: 2,000,000,000) shares of Baisa 100 each	200,000	200,000
Issued and paid up share capital 770,200,000 (2024: 770,200,000) shares of Baisa 100 each	<u>77,020</u>	<u>77,020</u>

Approved / paid dividend

In the Annual General Meeting (AGM) held in March 2025, the shareholders approved to pay a dividend of 22.4 baisa per share amounting to RO 17,306,394 for the financial year ended 31 December 2024 which was paid in March 2025 (2024: 21.2 baisa per share amounting to RO 16,328,240 for the financial year ended 31 December 2023 which was paid in April 2024).

8 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 RO 933 thousand (2024: RO 1,067 thousand) to the legal reserve. This reserve is not available for distribution.

9 Term loans

	Maturity	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Term loan A [note 9 (a)]	December 2027	-	5,627
Term loan B [note 9 (b)]	December 2029	-	16,423
Term loan C	February 2030	21,756	24,047
Term loan D	December 2030	24,750	27,000
Term loan E	December 2031	18,320	17,721
Term loan F [note 9 (c)]	December 2032	20,675	-
Term loan G [note 9 (d)]	December 2033	3,103	-
		88,604	90,818
Non-current portion			
Long Term loan A	December 2027	-	4,348
Long Term loan B	December 2029	-	12,513
Long Term loan C	February 2030	17,176	19,467
Long Term loan D	December 2030	20,250	22,500
Long Term loan E	December 2031	16,357	15,189
Long Term loan F	December 2032	17,917	-
Long Term loan G	December 2033	2,715	-
		74,415	74,017
Current portion			
Long Term loan A	December 2027	-	1,279
Long Term loan B	December 2029	-	3,910
Long Term loan C	February 2030	4,580	4,580
Long Term loan D	December 2030	4,500	4,500
Long Term loan E	December 2031	1,963	2,532
Long Term loan F	December 2032	2,758	-
Long Term loan G	December 2033	388	-
		14,189	16,801

(a) Term loan A

The term loan was originally denominated in Omani Rials. Repayment was scheduled in 32 equal monthly installments, with final maturity in December 2027. Interest was payable monthly at the bank's one-year fixed deposit rate plus a fixed margin, with the deposit rate re-set semi-annually. During the period, the Omani Rial-denominated facility was fully repaid and converted into a USD-denominated loan.

9 Term loans (continued)

(b) Term loan B

The term loan was originally denominated in Omani Rials. Repayment was scheduled in 32 equal quarterly installments, with a final maturity in December 2029. Interest was payable quarterly at the bank's one-year fixed deposit rate plus a fixed margin, with the deposit rate reset semi-annually. During the period, the Omani Rial-denominated loan was fully extinguished and converted into a USD-denominated facility.

(c) Term loan F

In March 2025, the Omani Rial-denominated Term Loans A and B were fully extinguished and consolidated into a single USD-denominated loan. The facility is repayable in 16 equal semi-annual instalments, with final maturity in December 2032. Interest is payable quarterly and calculated based on overnight SOFR plus a fixed margin. The USD-denominated loan is secured by an interest rate swap (IRS).

(d) Term loan G

The term loan was availed to finance 2024 operating capex. The term loan is denominated in US Dollar. Repayment of the loan is scheduled in 32 equal installments, with the final maturity set for May 2033. Interest is payable quarterly and calculated based on overnight SOFR plus a fixed margin. The USD-denominated loan is secured by an interest rate swap (IRS).

Short term loan

The Company obtained a short-term facility during the period amounting to RO 17 million to support working capital and liquidity requirements. The facility will be repaid in the ordinary course of business during the financial year ending 31 December 2025.

Security terms for all the above loans

The Company has complied with all the financial covenants of its borrowing facilities which relate to 'Debt to Equity', Total Debt to Net worth ratios as at 30 June 2025 and 31 December 2024.

10 Capex advances

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
At beginning of the period/year	982	4,587
Addition during the period/year	2,487	13,298
Capitalized during the period/year	(837)	(16,903)
At end of the period/year	<u>2,632</u>	<u>982</u>

11a Trade payables

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Trade payables to non - related parties	9,252	8,872
Trade payables to related parties (note 17)	303	319
Payables to related parties not invoice (note 17)	151	370
Payables to non - related parties not invoice-non assets	5,851	6,601
Payables to non - related parties not invoice-assets	616	297
	<u>16,173</u>	<u>16,459</u>

11b Other payables

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Accrued expenses	5,156	7,731
Leave encashment payable	3,969	3,900
Performance bonus payable	880	1,533
Accrued interest	544	573
Social security payable	538	559
Retention payable	82	91
Payable to customers	91	66
	<u>11,260</u>	<u>14,453</u>

12 Revenue

	<u>Unaudited</u>			
	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	2025 RO'000	2024 RO'000	2025 RO'000	2024 RO'000
Revenue from contracts with customers				
Disaggregation of revenue:				
Revenue recognized over time:				
Service revenue - drilling, work over, well services and maintenance	28,177	32,005	57,617	63,862
Revenue recognized point in time:				
Contract revenue - product	2,268	1,243	4,007	2,950
	<u>30,445</u>	<u>33,248</u>	<u>61,624</u>	<u>66,812</u>
Other revenue				
Leased operating assets	5,702	5,434	11,319	11,109
Total revenue	<u>36,147</u>	<u>38,682</u>	<u>72,943</u>	<u>77,921</u>

12 Revenue (continued)

All revenues are generated in the Oman and Kuwait market. The revenue disaggregated by primary geographical market and major products is disclosed in note 20.

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.

	30 June 2025 (Unaudited) RO'000	30 June 2024 (Unaudited) RO'000
Less than one year	9,983	5,020
One to two years	8,367	4,223
Two to three years	6,516	3,318
Three to four years	1,499	798
Four to five years	685	390
More than five years	899	552
Total	27,949	14,301

13 Cost of sales

	Unaudited		Unaudited	
	Three months ended 30 June	2024	Six months ended 30 June	2024
	2025	2024	2025	2024
	RO'000	RO'000	RO'000	RO'000
Employee related cost	11,814	12,096	23,644	24,632
Depreciation and amortization	5,267	5,529	10,588	11,285
Materials and spares consumed	5,086	5,130	9,740	10,101
Transportation	2,083	2,708	4,691	5,281
Camp and catering cost	924	953	1,855	1,856
Equipment rentals	593	378	1,245	717
Repairs and maintenance	374	549	835	1,141
Reimbursable cost	319	426	535	817
Vehicle rentals	221	111	437	219
Insurance	205	281	405	476
Vehicle running	150	131	299	286
Communication	123	133	192	255
Inspection	90	121	166	225
Water and electricity	44	61	93	127
Business travel	17	18	32	65
Mobilization and demobilization expenses	12	183	12	314
Legal and professional charges	4	-	5	4
Miscellaneous	61	25	133	86
	27,387	28,833	54,907	57,887

14 General and administrative expenses

	<u>Unaudited</u>			
	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	2025	2024	2025	2024
	RO'000	RO'000	RO'000	RO'000
Employee related costs	1,409	1,512	2,822	2,894
Repairs and maintenance	187	157	347	246
Depreciation and amortization	165	105	243	211
Legal and professional charges	30	35	149	108
Advertisement and sales promotion	99	70	121	121
Directors - other remuneration (note 18)	62	37	100	75
Subscription and membership	2	23	85	56
Insurance	30	15	60	19
Business travel	18	20	34	29
Rent	11	8	22	12
Vehicle rentals	.0	4	18	9
Communication	7	8	13	17
Consumables and materials consumed	11	200	12	200
Directors - sitting fees (note 18)	6	12	9	14
Vehicle running	4	3	8	8
Food expenses	3	6	8	8
Miscellaneous	65	118	153	122
	<u>2,116</u>	<u>2,333</u>	<u>4,204</u>	<u>4,149</u>

15 Finance costs and finance income

An analysis of finance cost is set out below:

	<u>Unaudited</u>			
	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	2025	2024	2025	2024
	RO'000	RO'000	RO'000	RO'000
Interest on long term loans	1,236	1,295	2,489	2,508
Interest on short term loans	204	209	233	209
Bank charges / exchange fluctuations	72	2	155	121
Interest on lease liabilities	51	67	106	145
	<u>1,563</u>	<u>1,573</u>	<u>2,983</u>	<u>2,983</u>

An analysis of finance income is set out below:

Interest income on fixed deposits	-	29	-	54
Other finance income	67	9	146	57
	<u>67</u>	<u>38</u>	<u>146</u>	<u>111</u>

16 Income tax expense

Current and deferred tax for the period

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 15.1% (30 June 2024: 15.7%).

Recognized in the statement of profit or loss:

	<u>Unaudited</u>		<u>Unaudited</u>	
	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	2025	2024	2025	2024
	RO'000	RO'000	RO'000	RO'000
Statement of profit or loss:				
Current tax:				
Current period	870	964	1,836	2,154
Prior period	12	84	12	84
Deferred tax				
Current period	(88)	(117)	(187)	(252)
	<u>794</u>	<u>931</u>	<u>1,661</u>	<u>1,986</u>

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

	<u>Unaudited</u>		<u>Unaudited</u>	
	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	2025	2024	2025	2024
	RO'000	RO'000	RO'000	RO'000
Reconciliation				
Profit before tax	5,218	5,651	10,988	12,656
Income tax as per rates mentioned above	782	847	1,648	1,898
Non-deductible expenses	-	-	1	4
Prior year adjustment - current tax	12	84	12	84
Tax expense for the year	<u>794</u>	<u>931</u>	<u>1,661</u>	<u>1,986</u>

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

	As at	(Charge) /	As at
2025	1 January	reversal to profit	30 June
	RO'000	or loss	RO'000
	RO'000	RO'000	RO'000
Deferred tax liabilities			
Property and equipment	3,627	(162)	3,465
Deferred expenses	14	8	22
	<u>3,641</u>	<u>(154)</u>	<u>3,487</u>
Deferred tax assets			
Provision for impairment	28	-	28
Deferred income	258	(6)	252
Provision for inventories	99	36	135
Provision on donation	2	-	2
Right-of-use assets and lease liabilities	16	3	19
	<u>403</u>	<u>33</u>	<u>436</u>

16 Income tax expense (continued)

Current and deferred tax for the period (continued)

	As at 1 January	(Charge) / reversal to profit or loss	As at 30 June
2024			
Deferred tax liabilities			
Property and equipment	4,389	(215)	4,174
Deferred expenses	18	(2)	16
	<u>4,407</u>	<u>(217)</u>	<u>4,190</u>
Deferred tax assets			
Deferred payment obligation	25	-	25
Provision for impairment	278	(7)	271
Deferred income	75	42	117
Provision for inventory	6	-	6
Right-of-use assets and lease liabilities	42	-	42
	<u>426</u>	<u>35</u>	<u>461</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 2025.

Oman has issued Royal Decree No. 70/2024 (the Law), promulgating the law for Top-Up Tax on Constituent Entities of Multinational Groups. This move is in alignment with the rules issued by the Organisation for Economic Co-operation and Development (OECD) and is part of Pillar Two, to avoid Base Erosion and Profit Shifting (BEPS). The objective of the Law is to ensure that Constituent Entities are taxed at a minimum effective tax rate of 15% through a series of measures that are in line with the international tax principles. The Law is effective for financial years beginning on or after 1 January 2025. However, there is no impact on the six months ended 30 June 2025.

17 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:

	Unaudited			
	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	RO'000	RO'000	RO'000	RO'000
Sale of goods and services				
Revenue from OQ Exploration and Production SAOG- entity under common control - Drilling and workover and well services	<u>5,030</u>	<u>5,405</u>	<u>10,235</u>	<u>11,206</u>
Purchases of goods and services				
Fuel, lubricants and others from Oman Oil Marketing Company SAOG – entity under common control	<u>888</u>	<u>1,240</u>	<u>1,924</u>	<u>2,446</u>

17 Related party transactions and balances (continued)

	<u>Unaudited</u>		<u>Unaudited</u>	
	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	2025	2024	2025	2024
	RO'000	RO'000	RO'000	RO'000
Directors remuneration and sitting fees				
Directors - sitting fees (note 14)	6	12	9	14
Directors - other remunerations (note 14)	62	37	100	75
	<u>68</u>	<u>49</u>	<u>109</u>	<u>89</u>
Key management compensation				
Short term employee benefits	306	322	676	508
Long term employee benefits	-	2	6	6
	<u>306</u>	<u>324</u>	<u>682</u>	<u>514</u>

Related party balances

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Receivable from the OQ Exploration and Production SAOG - entity under common control (note 4a) - Drilling and workover and well services	<u>6,725</u>	<u>2,348</u>
Payable to Oman Oil Marketing Company SAOG – entity under common control (note 11a)	<u>454</u>	<u>689</u>

These balances are interest free and repayable on demand.

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. However, the Company has opted to provide qualitative disclosures for transactions that are individually insignificant but collectively significant. These transactions and balances include the procurement of utilities such as electricity, internet, and telecommunications, as well as employee-related transactions such as contributions made to Social Protection Fund.

18 Contingent liabilities

	30 June 2025 (Unaudited) RO'000	31 December 2024 (Audited) RO'000
Bank guarantees	21,566	24,590
Legal cases	885	2,901
	<u>22,451</u>	<u>27,491</u>

18 Contingent liabilities (continued)

The major portion of legal cases is relating to an amount of RO 444,731 (31 December 2024: RO 2,456,416) for which a case is filed by one of the suppliers in the primary court. The case is ongoing and no decision is yet pronounced.

19 Commitments

As at 30 June 2025, the Company had contractual capital commitments of RO 59,440,048 (31 December 2024: RO 4,594,564) relating to property and equipment.

20 Segment reporting

The Company's structure reflects various activities in which it is engaged. At the reporting date, the Company has 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.

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

	For six months ended 30 June 2025								
	Drilling & Workover			Well Services & Other's			Total		
	Oman	Kuwait	Total	Oman	Kuwait	Total	Oman	Kuwait	Total
	RO'000								
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

	As at 30 June 2025								
	Drilling & Workover			Well Services & Other's			Total		
	Oman	Kuwait	Total	Oman	Kuwait	Total	Oman	Kuwait	Total
	RO'000								
Total segment assets	232,389	21,666	254,055	29,628	145	29,773	262,017	21,811	283,828
Total segment liabilities	108,277	21,949	130,226	15,114	147	15,261	123,391	22,096	145,487
Capital expenditure	5,032	515	5,547	617	-	617	5,649	515	6,164

	For the period ended 30 June 2024								
	Drilling & Workover			Well Services & Other's			Total		
	Oman	Kuwait	Total	Oman	Kuwait	Total	Oman	Kuwait	Total
	RO'000								
Revenue	69,388	842	70,230	7,691	-	7,691	77,079	842	77,921
Net profit for the period	10,753	(12)	10,741	(71)	-	(71)	10,682	(12)	10,670

20 Segment reporting (continued)

	As at 31 December 2024								
	Drilling & Workover			Well Services & Other's			Total		
	<u>Oman</u>	<u>Kuwait</u>	<u>Total</u>	<u>Oman</u>	<u>Kuwait</u>	<u>Total</u>	<u>Oman</u>	<u>Kuwait</u>	<u>Total</u>
	----- RO'000 -----								
Total segment assets	226,425	25,908	252,333	27,825	3,184	31,009	254,250	29,092	283,342
Total segment liabilities	109,497	12,529	122,026	13,456	1,540	14,996	122,953	14,069	137,022
Capital expenditure	13,123	18,948	32,071	2,918	-	2,918	16,041	18,948	34,989

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

21 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 changes were made in the objectives, policies or processes during the period ended 30 June 2025 and year ended 31 December 2024.

22 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.

23 Corresponding figures

Certain corresponding figures for period ended 30 June 2025 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.

The condensed interim financial statements were approved by the board of directors on 28-July 2025

Filing Information	01/04/2025-30/06/2025
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	01/04/2025
Reporting period end date	30/06/2025
Description of reporting currency	Omani Rial
Level of rounding off for monetary values	Thousands
Description of nature of financial statements	Unaudited
Preparation format	Standalone