**ADES HOLDING COMPANY**
**(A SAUDI LISTED JOINT STOCK COMPANY)**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
FOR THE THREE AND SIX-MONTH PERIODS ENDED
30 JUNE 2026
WITH
**INDEPENDENT AUDITOR'S REVIEW REPORT**

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Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

**Headquarters in Riyadh**

**شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية**
الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبر ٣٤٤١٢ - ٣١٤٦
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

**المركز الرئيسي في الرياض**

# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of ADES Holding Company (A Saudi Listed Joint Stock Company)

## Introduction

We have reviewed the accompanying 30 June 2026 condensed consolidated interim financial statements of ADES Holding Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2026;
- the condensed consolidated statement of comprehensive income for the three and six-month periods ended 30 June 2026;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2026; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of ADES Holding Company (A Saudi Listed Joint Stock Company) (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2026 condensed consolidated interim financial statements of ADES Holding Company ("the Company") and its subsidiaries ("the Group") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

**For KPMG Professional Services Company**

كي . بي . إم . جي للاستشارات المهنية
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ترخيص رقم ٤٦
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Corresponding to 09 August 2026G

**ADES HOLDING COMPANY**
(A SAUDI LISTED JOINT STOCK COMPANY)
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT 30 JUNE 2026**
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

| | Notes | 30 June 2026 (Unaudited) ⃁'000 | 31 December 2025 (Audited) ⃁'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property and equipment | 9 | **24,966,770** | 25,030,984 |
| Intangible assets | | **5,904** | 6,157 |
| Right-of-use assets | | **635,655** | 460,887 |
| Derivative financial instruments | 15 | **37,425** | 8,378 |
| Prepayments and other receivables | | **181,544** | 189,446 |
| Investments in joint venture | | **37,263** | 34,013 |
| Trade and other receivables | | **13,555** | 11,983 |
| **Total non-current assets** | | **25,878,116** | 25,741,848 |
| | | | |
| **Current assets** | | | |
| Inventories | 8 | **964,938** | 947,501 |
| Trade and other receivables | | **1,707,366** | 1,690,838 |
| Prepayments and other receivables | | **691,427** | 571,850 |
| Due from a related party | 13 | **1,223** | 1,223 |
| Cash and cash equivalents | 7 | **2,434,635** | 2,458,449 |
| **Total current assets** | | **5,799,589** | 5,669,861 |
| **TOTAL ASSETS** | | **31,677,705** | 31,411,709 |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 11 | **1,129,063** | 1,129,063 |
| Share premium | 11 | **2,890,367** | 2,890,367 |
| Treasury shares | 11 | **(24,913)** | (24,913) |
| Cash flow hedge reserve | | **29,682** | 528 |
| Share-based payment reserve | | **166** | 166 |
| Retained earnings | | **2,884,929** | 2,784,952 |
| **Equity attributable to equity holders of the parent** | | **6,909,294** | 6,780,163 |
| Non–controlling interests | | **27,134** | 32,831 |
| **Total equity** | | **6,936,428** | 6,812,994 |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Interest-bearing loans and borrowings | 10 | **18,181,519** | 17,959,462 |
| Lease liabilities | | **446,650** | 262,932 |
| Provisions | | **425,966** | 484,146 |
| Deferred revenue | | **300,613** | 436,254 |
| Deferred tax, net | | **145,785** | 144,740 |
| Income tax accrual | 6 | **25,817** | 36,767 |
| Other payables | | **6,797** | 18,354 |
| **Total non-current liabilities** | | **19,533,147** | 19,342,655 |

**ADES HOLDING COMPANY**
(A SAUDI LISTED JOINT STOCK COMPANY)
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**
**AS AT 30 JUNE 2026**
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

| | Notes | **30 June 2026 (Unaudited) ⃁'000** | 31 December 2025 (Audited) ⃁'000 |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and other payables | | **2,043,679** | 2,133,993 |
| Deferred revenue | | **378,673** | 360,206 |
| Income tax and zakat accrual | 6 | **130,885** | 144,986 |
| Interest-bearing loans and borrowings | 10 | **2,384,559** | 2,290,203 |
| Derivative financial instruments | 15 | **2,142** | - |
| Provisions | | **268,192** | 326,672 |
| **Total current liabilities** | | **5,208,130** | 5,256,060 |
| **Total liabilities** | | **24,741,277** | 24,598,715 |
| **TOTAL EQUITY AND LIABILITIES** | | **31,677,705** | 31,411,709 |

**Dr. Mohamed Farouk**
Vice Chairman

**Mr. Hussein Badawy**
Chief Financial Officer

The accompanying notes 1 through 18 form an integral part of these interim condensed consolidated financial statements.

| | Notes | Three-month period ended | | Six-month period ended | |
|---|---|---|---|---|---|
| | | **30 June 2026 (Unaudited) ⃁'000** | 30 June 2025 (Unaudited) ⃁'000 | **30 June 2026 (Unaudited) ⃁'000** | 30 June 2025 (Unaudited) ⃁'000 |
| Revenue | 5 | **2,153,329** | 1,578,826 | **4,544,065** | 3,048,964 |
| Cost of revenue | | **(1,425,429)** | (985,993) | **(2,937,316)** | (1,865,947) |
| **Gross profit** | | **727,900** | 592,833 | **1,606,749** | 1,183,017 |
| General and administrative expenses | | **(193,841)** | (105,341) | **(397,423)** | (219,920) |
| End of service employment benefits | | **(14,377)** | (17,256) | **(26,726)** | (28,919) |
| Finance costs, net | | **(330,830)** | (218,632) | **(643,942)** | (436,350) |
| Other expenses, net | | **(18,562)** | (6,178) | **(65,110)** | (15,485) |
| **Profit for the period before income tax and zakat** | | **170,290** | 245,426 | **473,548** | 482,343 |
| Income tax and zakat expenses | 6 | **(37,022)** | (53,744) | **(99,427)** | (93,982) |
| **Profit for the period** | | **133,268** | 191,682 | **374,121** | 388,361 |
| **Attributable to:** | | | | | |
| Equity holders of the Parent | | **128,531** | 188,603 | **364,973** | 382,758 |
| Non-controlling interests | | **4,737** | 3,079 | **9,148** | 5,603 |
| | | **133,268** | 191,682 | **374,121** | 388,361 |
| **OTHER COMPREHENSIVE INCOME/(LOSS)** | | | | | |
| **Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods (net of any tax)** | | | | | |
| Net gain/(loss) on cash flow hedge | | **12,717** | (14,037) | **29,154** | (35,454) |
| **Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of any tax)** | | | | | |
| Net loss on equity instruments designated at fair value through other comprehensive income | | **-** | (8,267) | **-** | (12,689) |
| **Other comprehensive income/(loss) for the period, net of tax** | | **12,717** | (22,304) | **29,154** | (48,143) |
| **Total comprehensive income for the period, net of tax** | | **145,985** | 169,378 | **403,275** | 340,218 |
| **Attributable to:** | | | | | |
| Equity holders of the Parent | | **141,248** | 166,299 | **394,127** | 334,615 |
| Non-controlling interests | | **4,737** | 3,079 | **9,148** | 5,603 |
| | | **145,985** | 169,378 | **403,275** | 340,218 |
| Earnings per share basic and diluted attributable to equity holders of the parent (In ⃁ per share) | 12 | **0.12** | 0.17 | **0.33** | 0.35 |

The accompanying notes 1 through 18 form an integral part of these condensed consolidated interim financial statements.

**ADES HOLDING COMPANY**
(A SAUDI LISTED JOINT STOCK COMPANY)
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

| | Attributable to the equity holders of the parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Share capital**<br>**⃁'000** | **Share Premium**<br>**⃁'000** | **Treasury shares**<br>**⃁'000** | **Cash flow hedge reserve**<br>**⃁'000** | **Retained earnings**<br>**⃁'000** | **Share based payment reserve**<br>**⃁'000** | **Total**<br>**⃁'000** | **Non-controlling interest**<br>**⃁'000** | **Total equity**<br>**⃁'000** |
| Balance at 1 January 2026 – Audited | 1,129,063 | 2,890,367 | (24,913) | 528 | 2,784,952 | 166 | 6,780,163 | 32,831 | 6,812,994 |
| *Profit for the period* | - | - | - | - | 364,973 | - | 364,973 | 9,148 | 374,121 |
| *Other comprehensive income for the period* | - | - | - | 29,154 | - | - | 29,154 | - | 29,154 |
| Total comprehensive income | - | - | - | 29,154 | 364,973 | | 394,127 | 9,148 | 403,275 |
| *Dividends (note 16)* | - | - | - | - | (264,996) | - | (264,996) | (14,845) | (279,841) |
| **Balance at 30 June 2026 (Unaudited)** | **1,129,063** | **2,890,367** | **(24,913)** | **29,682** | **2,884,929** | **166** | **6,909,294** | **27,134** | **6,936,428** |

The accompanying notes 1 through 18 form an integral part of these interim condensed consolidated financial statements.

| | Attributable to the equity holders of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital ⃁'000 | Share Premium ⃁'000 | Treasury shares ⃁'000 | Fair value reserve of financial assets at FVOCI ⃁'000 | Cash flow hedge reserve ⃁'000 | Retained earnings ⃁'000 | Share based payment reserve ⃁'000 | Total ⃁'000 | Non-controlling interest ⃁'000 | Total equity ⃁'000 |
| Balance at 1 January 2025 – Audited | 1,129,063 | 2,890,367 | (28,127) | 2,381 | 52,167 | 2,446,821 | 119 | 6,492,791 | 45,193 | 6,537,984 |
| *Profit for the period* | - | - | - | - | - | 382,758 | - | 382,758 | 5,603 | 388,361 |
| *Other comprehensive loss for the period* | - | - | - | (12,689) | (35,454) | - | - | (48,143) | - | (48,143) |
| Total comprehensive income | - | - | - | (12,689) | (35,454) | 382,758 | - | 334,615 | 5,603 | 340,218 |
| *Dividends to shareholders (note 16-a)* | - | - | - | - | - | (242,206) | - | (242,206) | - | (242,206) |
| Balance at 30 June 2025 (Unaudited) | 1,129,063 | 2,890,367 | (28,127) | (10,308) | 16,713 | 2,587,373 | 119 | 6,585,200 | 50,796 | 6,635,996 |

The accompanying notes 1 through 18 form an integral part of these interim condensed consolidated financial statements.

| | Notes | 30 June 2026 (Un-audited) ⃁'000 | 30 June 2025 (Un-audited) ⃁'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the period before income tax and zakat | | **473,548** | 482,343 |
| *Adjustments for:* | | | |
| Depreciation of property and equipment | 9 | **833,279** | 604,074 |
| Depreciation of right of use assets | 9 | **120,816** | 106,849 |
| Amortization of intangible assets | 9 | **530** | 526 |
| End of service employment benefits | | **26,726** | 28,919 |
| Finance costs, net | | **643,942** | 436,350 |
| Dividends from investment in financial instruments | | **-** | (2,431) |
| Share of results of investment in a joint venture | | **(3,250)** | (5,760) |
| Reversal of Tax provisions | | **(67,510)** | - |
| Other income, net | | **(28,438)** | - |
| | | **1,999,643** | 1,650,870 |
| **Changes in working capital** | | | |
| Inventories | | **(17,437)** | (59,771) |
| Trade and other receivables | | **21,190** | (48,894) |
| Prepayments and other receivables | | **(122,542)** | (162,686) |
| Trade and other payables | | **(117,174)** | 31,533 |
| Deferred revenue | | **(85,173)** | (134,005) |
| **Cash flows generated from operating activities** | | **1,678,507** | 1,277,047 |
| Income tax and zakat paid | 6 | **(149,665)** | (107,078) |
| Provisions paid | | **(31,349)** | (9,441) |
| **Net cash flows generated from operating activities** | | **1,497,493** | 1,160,528 |
| **Investing activities** | | | |
| Purchase of property and equipment | | **(804,398)** | (948,920) |
| Proceed from disposal of property and equipment | | **735** | - |
| Purchase of intangible assets | | **(277)** | (84) |
| Payment of the consideration payable for acquisitions* | | **-** | (18,222) |
| Dividend received from equity instruments | | **-** | 2,431 |
| **Net cash flows used in investing activities** | | **(803,940)** | (964,795) |

| | Notes | 30 June 2026 (Un-audited) ⃁'000 | 30 June 2025 (Un-audited) ⃁'000 |
|---|---|---|---|
| **Financing activities** | | | |
| Proceeds from loans and borrowings | 10 | **1,545,599** | 1,322,387 |
| Repayment of loans and borrowings | 10 | **(1,225,703)** | (693,478) |
| Finance cost paid, net | | **(624,976)** | (415,735) |
| Payment of lease liabilities | | **(132,446)** | (113,884) |
| Dividend Payments to shareholders | 16-a | **(264,996)** | (242,206) |
| Dividend Payments to non-controlling interest | 16-b | **(14,845)** | - |
| **Net cash flows used in financing activities** | | **(717,367)** | (142,916) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(23,814)** | 52,817 |
| Cash and cash equivalents at beginning of Period | 7 | **2,458,449** | 744,187 |
| **Cash and cash equivalents at the end of the Period** | 7 | **2,434,635** | 797,004 |

*This amount is related to the outstanding consideration payable for the acquisition of the Topaz Rig and shares of Rig finance limited that were purchased in financial year ended 31 December 2024. Subsequently, in first quarter ended 31 March 2025, the outstanding balance was paid and settled in full.

The accompanying notes 1 through 18 form an integral part of these interim condensed consolidated financial statements.

## 1. ORGANIZATION AND ACTIVITIES

ADES Holding Company (the "Company" or the "Parent Company") was incorporated on 28 December 2022 as a mixed closed joint stock company under Saudi laws. The Company and its subsidiaries together are referred as the "Group".

The Group's head office is located at 7429 Prince Turki Street, Corniche District, Al Khobar, Kingdom of Saudi Arabia.

The Company licensed under foreign investment license number 122114405178894 issued by the Ministry of Investment on 11 Jumada al-Awal 1444H (corresponding to 5 December 2022G) and operating under commercial registration number 2051245446 and unified identification number 7032464070 dated 4 Jumada al-Thani 1444H corresponding to 28 December 2022G).

On 1 Sha'ban 1445H (corresponding to 11 February 2024G), the Company status changed from mixed joint company to listed joint stock company.

On 26 Rabi ul Awal 1445H (corresponding to 11 October 2023G), the Company completed its Initial Public Offering ("IPO"), and its ordinary shares were listed on the Saudi Stock Exchange ("Tadawul").

| | **As of 30 June 2026** | | | As of 31 December 2025 | | |
|---|---|---|---|---|---|---|
| ***Shareholder*** | **No. of shares'000** | **Ownership** | **Nominal value ⃁'000** | No. of shares'000 | Ownership | Nominal value ⃁'000 |
| ADES Investments Holding Limited | **412,277** | **36.5%** | **412,277** | 412,277 | 36.5% | 412,277 |
| The Public Investment Fund of the Kingdom of Saudi Arabia | **268,548** | **23.8%** | **268,548** | 268,548 | 23.8% | 268,548 |
| Zamil Group Investment Company | **75,647** | **6.7%** | **75,647** | 75,647 | 6.7% | 75,647 |
| Free Float | **347,678** | **30.8%** | **347,678** | 347,678 | 30.8% | 347,678 |
| Treasury Shares | **24,913** | **2.2%** | **24,913** | 24,913 | 2.2% | 24,913 |
| | **1,129,063** | **100%** | **1,129,063** | 1,129,063 | 100% | 1,129,063 |

The interim condensed consolidated financial statements were authorised for issue on 26 Safar 1448H (corresponding to 09 August 2026G) by the Board of Directors.

The Group is a leading oil and gas drilling and production services provider in the Middle East, Africa, Southeast Asia and Europe. The Group services primarily include offshore and onshore contract drilling and production services. The Group currently operates across multiple jurisdictions. The Group's offshore services include drilling and workover services and Mobile Offshore Production Unit (MOPU) production services, as well as accommodation, catering, and other barge-based support services. The Group's onshore services primarily encompass drilling and work over services. The Group also provides projects services, which mainly includes oil field enhancement (exploration and production).

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

## 1. ORGANIZATION AND ACTIVITIES (continued)

The interim condensed consolidated financial statements of the Group include activities of the following subsidiaries:

| **Name** | ***Principal activities*** | **Country of incorporation** | **30 June 2026** | 31 December 2025 |
|---|---|---|---|---|
| Advanced Energy Systems (ADES) (S.A.E) [1] | Oil & gas drilling and production services | Egypt | **100%** | 100% |
| ADES Saudi Limited Company[2] | Oil and gas drilling and production services | KSA | **100%** | 100% |
| Precision Drilling Company[3] | Holding company | Cyprus | **100%** | 100% |
| Kuwait Advanced Drilling Services | Leasing of rigs | Cayman | **100%** | 100% |
| Prime innovations for Trade S.A. E | Trading | Egypt | **100%** | 100% |
| ADES International for Drilling | Leasing of rigs | Cayman | **100%** | 100% |
| AG training | Training | Egypt | **70%** | 70% |
| Advanced Transport Services | Leasing transportation equipment | Cayman | **100%** | 100% |
| Advanced Drilling Services | Leasing of rigs | Cayman | **100%** | 100% |
| ADES for Drilling Services Ltd[4] | Investment in Oil & Gas Projects | UAE | **100%** | 100% |
| ADES International Holding Ltd | Holding company | UAE | **100%** | 100% |
| Emerald Driller Company[5] | Production services oil and gas drilling and production services | Cayman | **100%** | 100% |
| ADES Drilling Services I Ltd | Leasing of rigs | Bermuda | **100%** | 100% |
| ADES Drilling Services II Ltd | Leasing of rigs | Bermuda | **100%** | 100% |
| ADES Drilling Services III Ltd | Leasing of rigs | Bermuda | **100%** | 100% |
| ADES Advanced Drilling Services Ltd[6] | Leasing of rigs | Liberia | **100%** | 100% |
| ADES Drilling Services IV Ltd | Leasing of rigs | Bermuda | **100%** | 100% |
| ADES Drilling Services V Ltd | Leasing of rigs | Bermuda | **100%** | 100% |
| ADES Drilling Services Ltd[7] | Leasing of rigs | Bermuda | **100%** | 100% |
| ADES GCC For Drilling Ltd[8] | Oil and gas drilling and production services | Bermuda | **100%** | 100% |
| ADES Drilling Services Cyprus Ltd. | Oil and gas drilling services | Cyprus | **100%** | 100% |
| PT ADES Drilling Indonesia | Petroleum oil and natural gas mining supporting activities | Indonesia | **100%** | 100% |
| RIG FINANCE Ltd[9] | Leasing of rigs | Bermuda | **100%** | 100% |
| ADRES HR Solution Ltd | HR Services | UAE | **60%** | 60% |
| ADES Production Services | Oil & gas drilling and production services | Egypt | **100%** | 100% |
| ADES Production Holding Ltd | Holding Company | UAE | **100%** | 100% |
| ADES Drilling Services Labuan Ltd | Trading | Labuan | **100%** | 100% |
| Shelf Drilling Ltd and it's subsidiaries[10] | Holding Company | Cayman | **100%** | 100% |

The Group holds investment in Egyptian Chinese Drilling Company (ECDC) (Joint Venture) which is accounted for using the equity method of accounting in these interim condensed consolidated financial statements.

1 Advanced Energy Systems (ADES) (S.A.E) has branches in Algeria, India, UAE and Iraq.
2 ADES Saudi limited Company acquired eight subsidiaries from Seadrill.
3 Precision Drilling Company holds a 47.5% interest in United Precision Drilling Company W.L.L, a Kuwait entity which handles the operations of the rigs in Kuwait.
4 ADES for Drilling Services Ltd set up a branch in Tunisia in 2021 and Thailand in 2024, and had changed its name from ADES Holding for Drilling Services Ltd.
5 Emerald Driller Company has a Branch in Qatar which handles operations in the country.
6 ADES Advanced Drilling Services Ltd has a branch in Congo.
7 ADES Drilling Services Ltd. has a branch in Indonesia.
8 ADES GCC For Drilling Ltd has a branch in KSA.
9 Rig Finance Ltd has a branch in Indonesia.
10 On 25 November 2025, the Company acquired 100% of the issued shares of Shelf Drilling Limited ("Shelf"), an international offshore drilling contractor specializing in shallow-water drilling services using jack-up rigs. Subsequent to the acquisition Shelf was delisted from Oslo stock exchange and all legal formalities in this regards have been completed.

## 2. MATERIAL ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to "IFRS as endorsed in KSA).

The interim condensed consolidated financial statements have been prepared under the historical cost basis, except for derivative financial instruments carried at fair value which includes interest rate swap contracts and foreign exchange rate contracts designated as hedging instruments and end of service benefit which are measured using the Projected Unit Credit Method.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statement and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2025. The interim condensed consolidated financial statements are presented in Saudi Arabian Riyal and all values are rounded to the nearest thousand (“⃁ ’000”), except when otherwise indicated. Saudi Arabian Riyal (“⃁”) is the functional currency of the Company and presentation currency of the Group.

### 2.2 USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, management has made judgments and estimates that affect determination and application of accounting policies and the reported amounts of assets and liabilities, income and expense and accompanying disclosures. Uncertainty about assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Group’s audited consolidated financial statements as at and for the year ended 31 December 2025.

## 2.3 NEW STANDARDS AND INTERPRETATIONS

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2025.

**New standards and interpretations not yet adopted:**

**(a) New and revised standards with no material effect on the condensed consolidated interim financial statements**

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods:

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;
- Annual Improvements to IFRS Accounting Standards, effective for annual periods beginning on or after 1 January 2026 - Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026.

**(b) New and revised standards issued but not yet effective**

The amendments to existing standards that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these amendments to existing standards, if applicable, when they become effective:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027; and
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28, effective date deferred indefinitely.

The above-mentioned standards are not expected to have a significant impact on the condensed consolidated interim financial statements.

- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027. The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 has been endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and is effective for annual reporting periods beginning on or after 1 January 2027, with retrospective application. Early adoption is permitted.

The Group has performed a preliminary assessment of the expected impact of adopting IFRS 18. Based on the assessment performed to date, management does not expect the adoption of IFRS 18 to have a material impact on the recognition or measurement of the Group's assets, liabilities, equity, revenue, expenses or cash flows. The expected impact is primarily related to the presentation and disclosure of information in the consolidated financial statements.

IFRS 18 introduces a more structured statement of profit or loss by requiring income and expenses to be classified into the operating, investing, financing, income tax and discontinued operations categories and by introducing mandatory subtotals, including operating profit and profit before financing and income taxes. The operating category is intended to provide a complete depiction of an entity's operating performance, while income and expenses not classified within another category are generally included within the operating category.

## 2.3 NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

### (b) New and revised standards issued but not yet effective (continued)

**IFRS 18 Presentation and Disclosure in Financial Statements (continued)**

Based on the Group's current business activities as a provider of oil and gas drilling and production services, management's preliminary assessment indicates that the principal presentation changes are expected to include the following:

- Operating category: Revenue, cost of revenue, general and administrative expenses, employee benefit expenses (excluding interest cost), share-based payment expense, bargain purchase gain arising from business combinations, acquisition-related transaction costs, and other operating income and expenses are expected to continue to be presented within the operating category.
- Investing category: Income and expenses arising from investments that generate returns independently of the Group's principal operating activities are expected to be presented within the investing category. Based on the Group's current financial statements, this is expected to include gains or losses on financial assets measured at fair value through profit or loss, gains or losses on other qualifying investments, where applicable, and the Group's share of results of its joint venture.
- Financing category: Finance costs relating to interest-bearing loans and borrowings, lease liabilities and other financing liabilities are expected to be presented within the financing category. In addition, foreign exchange differences and gains or losses on derivatives and hedging instruments will continue to be classified consistently with the category of the underlying expense, or liability whose risk is being managed, in accordance with IFRS 18.
- Income tax category: Income tax and zakat expense will be presented separately within the income tax category.

**Management-defined performance measures:**

In addition, IFRS 18 introduces enhanced presentation and disclosure requirements, including mandatory subtotals within the statement of profit or loss, additional disaggregation of operating expenses, and disclosure of Management-defined Performance Measures ("MPMs"), including reconciliations of such measures to the most directly comparable IFRS Accounting Standards subtotal, where applicable. Based on the assessment performed to date, the Group has identified certain performance measures presented in its public communications, including EBITDA, that are being evaluated to determine whether they meet the definition of Management-defined Performance Measures ("MPMs") under IFRS 18. The Group is also assessing the related presentation and disclosure requirements, including the requirement to provide reconciliations to the most directly comparable IFRS-defined totals or subtotals where applicable. As a result, the adoption of IFRS 18 may require additional disclosures in the consolidated financial statements. The assessment remains ongoing, and the final impact of adopting IFRS 18 will be determined upon completion of the Group's implementation process.

**Principles of aggregation and disaggregation:**

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' such as other income and other expenses and expects to use more informative descriptions or provide additional disaggregated information in the notes where material.

## 2.3 NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

### (b) New and revised standards issued but not yet effective (continued)

**IFRS 18 Presentation and Disclosure in Financial Statements (continued)**

**Consequential amendments:**

IFRS 18 introduces consequential amendments to other IFRS Accounting Standards, including IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting.

The Group is assessing the impact of these amendments, including potential changes to the classification and presentation of certain cash flow items, particularly interest received, interest paid and other financing-related cash flows, together with any resulting changes to comparative information.

## 3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (CEO) that are used to make strategic decisions. As operationally, the Group is only in the oil and gas production and drilling services, the CEO considers the business from a geographic perspective and has identified eleven geographical segments (30 June 2025: nine geographical segments). Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment.

| *Segment* | *Egypt* | *Algeria & Tunisia* | *Kingdom of Saudi Arabia* | *Kuwait* | *Qatar* | *India* | *Southeast Asia ****** | *West/Central Africa******* | *Norway* | *Other ******** | *Total Segments* | *Corporate* | *Adjustments and Eliminations**** | *Total* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* | *⃁ '000* |
| For the period ended 30 June 2026 | | | | | | | | | | | | | | |
| **Revenue** | | | | | | | | | | | | | | |
| External customers | 466,157 | 122,857 | 1,605,229 | 395,899 | 126,823 | 302,628 | 450,296 | 612,078 | 201,175 | 260,923 | 4,544,065 | - | | 4,544,065 |
| Inter-segment *** | 135,695 | - | 27,761 | - | 20,734 | - | - | - | - | - | 184,190 | - | (184,190) | - |
| **Total Revenue** | **601,852** | **122,857** | **1,632,990** | **395,899** | **147,557** | **302,628** | **450,296** | **612,078** | **201,175** | **260,923** | **4,728,255** | **-** | **(184,190)** | **4,544,065** |
| **Income/(expenses)** | | | | | | | | | | | | | | |
| Cost of revenue* | (162,256) | (84,593) | (662,311) | (200,217) | (74,994) | (121,100) | (173,802) | (280,658) | (138,557) | (99,494) | (1,997,982) | - | - | (1,997,982) |
| General and administrative expenses | (62,513) | (8,714) | (91,028) | (20,253) | (7,905) | (16,780) | (19,803) | (23,345) | (8,125) | (22,847) | (281,313) | (116,110) | - | (397,423) |
| Finance costs (net) | (93,890) | 2,034 | (169,686) | (20,892) | 481 | (66,037) | (92,470) | (112,518) | (23,561) | (63,389) | (639,928) | (4,014) | - | (643,942) |
| Depreciation and amortization**** | (71,694) | (31,015) | (412,403) | (138,964) | (30,460) | (29,789) | (76,338) | (77,196) | (12,652) | (58,823) | (939,334) | - | - | (939,334) |
| Other expenses (net) ** | (6,634) | (3,253) | (142,694) | (2,870) | (14,067) | (15,420) | (14,302) | (29,271) | (563) | 35,161 | (193,913) | 2,650 | - | (191,263) |
| | | | | | | | | | | | | | - | |
| **Segment Profit/(loss)** | **69,170** | **(2,684)** | **127,107** | **12,703** | **(122)** | **53,502** | **73,581** | **89,090** | **17,717** | **51,531** | **491,595** | **(117,474)** | **-** | **374,121** |
| **Property and equipment** | **1,340,471** | **588,835** | **10,015,166** | **2,124,773** | **1,463,443** | **603,271** | **3,432,410** | **3,125,080** | **712,140** | **1,561,181** | **24,966,770** | **-** | **-** | **24,966,770** |

## 3. SEGMENT INFORMATION (CONTINUED)

| *Segment* | *Egypt* ⃁ ’000 | *Algeria & Tunisia* ⃁ ’000 | *Kingdom of Saudi Arabia* ⃁ ’000 | *Kuwait* ⃁ ’000 | *Qatar* ⃁ ’000 | *India* ⃁ ’000 | *Southeast Asia******* ⃁ ’000 | *Nigeria* ⃁ ’000 | *Total Segments* ⃁ ’000 | *Corporate* ⃁ ’000 | *Adjustments and Eliminations**** ⃁ ’000 | *Total* ⃁ ’000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| For the period ended 30 June 2025 | | | | | | | | | | | | |
| Revenue | 294,138 | 99,921 | 1,817,011 | 257,794 | 174,734 | 119,564 | 279,189 | 6,613 | 3,048,964 | - | - | 3,048,964 |
| External customers | | | | | | | | | | | | |
| Inter-segment *** | 203,450 | - | 34,563 | - | 36,822 | - | - | - | 274,835 | - | (274,835) | - |
| Total Revenue | 497,588 | 99,921 | 1,851,574 | 257,794 | 211,556 | 119,564 | 279,189 | 6,613 | 3,323,799 | - | (274,835) | 3,048,964 |
| Income/(expenses) | | | | | | | | | | | | |
| Cost of revenue* | | | | | | | | | | | | |
| General and administrative expenses**** | (81,902) | (72,127) | (646,752) | (139,578) | (87,215) | (46,410) | (87,710) | (2,110) | (1,163,804) | - | - | (1,163,804) |
| Finance costs (net) | (19,602) | (8,872) | (118,386) | (19,895) | (7,523) | (7,672) | (7,773) | (56) | (189,779) | (30,141) | - | (219,920) |
| Depreciation and amortization**** | (18,206) | (4,538) | (366,353) | (19,383) | (7,674) | (6,212) | (12,982) | (281) | (435,629) | (721) | - | (436,350) |
| Other expenses (net) ** | (48,168) | (24,744) | (441,800) | (92,002) | (21,164) | (18,335) | (33,722) | (22,208) | (702,143) | - | - | (702,143) |
| | 3,308 | (7,981) | (54,913) | (12,509) | (6,596) | (5,852) | (24,663) | (16) | (109,222) | (29,164) | - | (138,386) |
| Segment Profit / (loss) | 129,568 | (18,341) | 188,807 | (25,573) | 44,562 | 35,083 | 112,339 | (18,058) | 448,387 | (60,026) | - | 388,361 |
| Property and equipment | 1,067,026 | 606,072 | 11,194,073 | 2,244,162 | 791,678 | 620,391 | 1,140,284 | 615,567 | 18,279,253 | - | - | 18,279,253 |

(i) Management presents the assets in the segment in which the asset operates.
* Excluding depreciation and amortisation.
** Other expenses (net) include end of service employment benefits, other expenses/income (net) and zakat tax expense.
*** Inter-segment revenues and other adjustments are eliminated upon consolidation and reflected in the ‘adjustments and eliminations’ column.
****Depreciation and amortisation recorded under cost of revenue.
***** Southeast Asia includes (Indonesia, Thailand, Malaysia and Vietnam).
****** West/Central Africa includes (Nigeria and Angola)
******* Others include (Brazil, Italy, Netherlands and UK)
Following the acquisition of Shelf Drilling Ltd, management has reassessed and updated its presentation of segment reporting disclosure.

## 4. BUSINESS COMBINATIONS

On 25 November 2025, the Group acquired 100% of the issued shares and voting interests in Shelf Drilling Limited, an international offshore drilling contractor specializing in shallow water drilling services using jack-up rigs.

Prior to obtaining control, the Group had acquired an equity interest of approximately 16.5% in Shelf Drilling Limited in August 2025, which was accounted for as a financial asset measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

Upon obtaining control of Shelf Drilling Limited, the Group remeasured its previously held interest to fair value in accordance with IFRS 3 – Business Combinations. The resulting remeasurement gain of ⃁ 88,778 thousand was recognized in profit or loss for the period. The total carrying amount of the investment immediately prior to obtaining control amounted to ⃁ 320,138 thousand.

The acquisition significantly enhanced the Group’s operational scale and geographic presence by adding a fleet of jack-up drilling rigs and expanding operations across multiple offshore markets. Following the transaction, the Group operates an enlarged offshore fleet across several international jurisdictions, strengthening its market position in shallow water drilling services.

**Identifiable net assets acquired**
The provisional fair values of the identifiable assets and liabilities as at acquisition date were:

| | ***Provisional fair values recognized on acquisition ⃁’000*** |
|---|---|
| Property and equipment | **6,701,242** |
| Inventories | **328,768** |
| Accounts receivable and prepayments | **940,645** |
| Cash and cash equivalents | **379,267** |
| **Total assets (provisional)*** | **8,349,922** |
| | |
| Borrowings | **5,096,826** |
| Accounts payable and accruals | **595,027** |
| Employees’ end of service benefits | **67,827** |
| Deferred Revenue | **75,550** |
| Tax Provisions | **470,027** |
| Income tax | **70,869** |
| Deferred tax liability | **30,030** |
| **Total liabilities (provisional)*** | **6,406,156** |
| | |
| **Total identifiable net assets at fair value (provisional)*** | **1,943,766** |
| Gain from bargain purchase | **(21,209)** |
| **Purchase consideration** | **1,922,557** |

## 4. BUSINESS COMBINATIONS (CONTINUED)

| | *Provisional fair values recognized on acquisition ⃁'000* |
|---|---|
| Analysis of purchase consideration: | |
| Cash consideration for acquired interest | **1,210,763** |
| Cash consideration relating to previously held interest | **231,360** |
| **Net cash paid** | **1,442,123** |
| Outstanding consideration payable** | **391,656** |
| Fair value gain of previously held interest | **88,778** |
| **Purchase consideration** | **1,922,557** |
| | |
| Analysis of cash flow on acquisition (included in cash flows from investing activities) | |
| Net Cash paid | **(1,442,123)** |
| Cash and cash equivalent acquired | **379,267** |
| **Net cash out flows on acquisition** | **(1,062,856)** |

*Additional clarifications and analysis are required to determine the acquisition date fair value of the assets acquired and liabilities assumed. Thus, the assets and liabilities may be subsequently adjusted, with a corresponding adjustment to gain from bargain purchase prior to 25 November 2026 (within one year from the transaction date).

**Outstanding consideration payable amounting to ⃁ 391,656 thousand is included in trade and other payables.

During the six-month period ended 30 June 2026, ADES Holding Company has entered into a definitive agreement to acquire Saudi Arabian Saipem Limited, a subsidiary of Saipem International BV for a total purchase consideration of USD 285 million (subject to customary adjustments at the date of closing).

## 5. REVENUES

| | ***For the three-month period ended*** | | ***For the six-month period ended*** | |
|---|---|---|---|---|
| | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* |
| ***Revenue from customer contracts*** | | | | |
| Units operations | **1,902,359** | 1,426,913 | **4,050,591** | 2,777,595 |
| Catering services | **50,404** | 36,052 | **112,044** | 72,401 |
| Projects income* | **99,246** | 51,503 | **174,060** | 97,725 |
| Others | **39,763** | 37,235 | **84,586** | 52,590 |
| ***Revenue from lease*** | | | | |
| Revenue from lease | **61,557** | 27,123 | **122,784** | 48,653 |
| | **2,153,329** | 1,578,826 | **4,544,065** | 3,048,964 |

Refer Note 3 for segment disclosure. The primary operational revenue stream is drilling services (units operations) and the revenue is recognised over time.

*Project income, which is recognized overtime, primarily relates to the oilfield enhancement (exploration and production) agreement in Egypt.

## 6. INCOME TAX AND ZAKAT

**Interim condensed consolidated statement of comprehensive income:**

| | ***Three-month period ended*** | | ***Six-month period ended*** | |
|---|---|---|---|---|
| | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* |
| Current income tax expense | **27,957** | 24,880 | **76,039** | 38,936 |
| Deferred tax charge | **(4,911)** | 14,897 | **(920)** | 26,119 |
| | **23,046** | 39,777 | **75,119** | 65,055 |
| Zakat expense | **13,976** | 13,967 | **24,308** | 28,927 |
| | **37,022** | 53,744 | **99,427** | 93,982 |

**Interim condensed consolidated statement of financial position:**

| | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|
| **Income tax and zakat accrual** | | |
| Opening balance | **181,753** | 82,468 |
| Acquired as part of business combination (note 4) | **-** | 70,869 |
| Charge for the period/year | **100,347** | 185,804 |
| Paid during the period/year | **(149,665)** | (157,388) |
| Other settlements | **24,267** | - |
| Ending balance | **156,702** | 181,753 |
| | | |
| Current | **130,885** | 144,986 |
| Non-current | **25,817** | 36,767 |
| | **156,702** | 181,753 |

## 7. CASH AND CASH EQUIVALENTS

| | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|
| Bank balances | **1,173,918** | 1,586,647 |
| Time deposits* | **1,259,990** | 871,188 |
| Cash on hand | **727** | 614 |
| | **2,434,635** | 2,458,449 |

* The average rate on time bank deposits during the period ended 30 June 2026 is 4.36 % per annum (2025: 3.84 %) with an average maturity of less than one month.

## 8. INVENTORIES

| | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|
| Spare parts, supplies and consumables at: | | |
| Offshore rigs | **707,360** | 678,021 |
| Warehouse and yards | **197,059** | 201,247 |
| Onshore rigs | **60,519** | 68,233 |
| | **964,938** | 947,501 |

## 9. PROPERTY AND EQUIPMENT

| | **Rigs** | **Furniture and fixtures** | **Drilling pipes** | **Tools** | **Assets under construction** | **IT equipment** | **Motor vehicles** | **Leasehold improvement** | **Buildings** | **Leasehold Land** | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **⃁'000** | **⃁'000** | **⃁'000** | **⃁'000** | **⃁'000** | **⃁'000** | **⃁'000** | **⃁'000** | **⃁'000** | **⃁'000** | **⃁'000** |
| Cost: | | | | | | | | | | | |
| As at 1 January 2026 | 27,197,369 | 19,396 | 186,528 | 874,856 | 436,085 | 56,548 | 3,475 | 697,847 | 37,198 | 63,719 | 29,573,021 |
| Additions | 144,683 | - | - | 53,243 | 574,622 | 95 | - | 3,798 | - | - | 776,441 |
| Transfers | 362,931 | - | 5,066 | 79,399 | (448,555) | 1,151 | - | - | - | 8 | - |
| Retirements and disposal | (55,146) | - | - | - | - | - | - | - | - | - | (55,146) |
| As at 30 June 2026 | **27,649,837** | **19,396** | **191,594** | **1,007,498** | **562,152** | **57,794** | **3,475** | **701,645** | **37,198** | **63,727** | **30,294,316** |
| Accumulated depreciation and impairment: | | | | | | | | | | | |
| As at 1 January 2026 | (3,708,106) | (8,039) | (130,185) | (324,534) | (19,480) | (11,659) | (2,627) | (334,047) | (3,360) | - | (4,542,037) |
| Depreciation | (726,548) | (1,140) | (11,735) | (48,336) | - | (5,366) | (201) | (38,913) | (1,040) | - | (833,279) |
| Retirements and disposal | 47,770 | - | - | - | - | - | - | - | - | - | 47,770 |
| As at 30 June 2026 | **(4,386,884)** | **(9,179)** | **(141,920)** | **(372,870)** | **(19,480)** | **(17,025)** | **(2,828)** | **(372,960)** | **(4,400)** | **-** | **(5,327,546)** |
| Net book value: | | | | | | | | | | | |
| **At 30 June 2026** | **23,262,953** | **10,217** | **49,674** | **634,628** | **542,672** | **40,769** | **647** | **328,685** | **32,798** | **63,727** | **24,966,770** |
| At 31 December 2025 | 23,489,263 | 11,357 | 56,343 | 550,322 | 416,605 | 44,889 | 848 | 363,800 | 33,838 | 63,719 | 25,030,984 |

## 9. PROPERTY AND EQUIPMENT (CONTINUED)

| | Rigs | Furniture and fixtures | Drilling pipes | Tools | Assets under construction | IT equipment | Motor vehicles | Leasehold improvement | Buildings | Leasehold land | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | ⃁'000 | ⃁'000 | ⃁'000 | ⃁'000 | ⃁'000 | ⃁'000 | ⃁'000 | ⃁'000 | ⃁'000 | ⃁'000 | ⃁'000 |
| Cost: | | | | | | | | | | | |
| As at 1 January 2025 | 18,712,639 | 18,674 | 158,663 | 631,259 | 458,949 | 15,036 | 3,097 | 694,330 | 34,450 | 58,478 | 20,785,575 |
| Additions | 260,278 | 146 | 285 | 42,127 | 1,011,164 | 45 | - | 1,660 | - | - | 1,315,705 |
| Transfers | 804,611 | - | 13,084 | 65,432 | (884,887) | 1,430 | 266 | 64 | - | - | - |
| As at 30 June 2025 | 19,777,528 | 18,820 | 172,032 | 738,818 | 585,226 | 16,511 | 3,363 | 696,054 | 34,450 | 58,478 | 22,101,280 |
| Accumulated depreciation and impairment: | | | | | | | | | | | |
| As at 1 January 2025 | (2,651,702) | (5,700) | (110,038) | (231,014) | (2,870) | (9,186) | (2,095) | (203,945) | (1,403) | - | (3,217,953) |
| Depreciation | (484,390) | (1,138) | (9,514) | (41,592) | - | (1,044) | (305) | (65,121) | (970) | - | (604,074) |
| As at 30 June 2025 | (3,136,092) | (6,838) | (119,552) | (272,606) | (2,870) | (10,230) | (2,400) | (269,066) | (2,373) | - | (3,822,027) |
| Net book value: | | | | | | | | | | | |
| At 30 June 2025 | 16,641,436 | 11,982 | 52,480 | 466,212 | 582,356 | 6,281 | 963 | 426,988 | 32,077 | 58,478 | 18,279,253 |

Most of the rigs are pledged to the lenders (banks) against loans and borrowings (note 10).

## 9. PROPERTY AND EQUIPMENT (CONTINUED)

**Allocation of depreciation charge:**
Depreciation and amortization charge is allocated as follows:

| | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* |
|---|---|---|
| Cost of revenue | **939,334** | 702,143 |
| General and administrative expenses | **15,291** | 9,306 |
| Total depreciation and amortization charge* | **954,625** | 711,449 |

*Total depreciation and amortization charge for the period includes depreciation of property and equipment of ⃁ 833,279 thousand (30 June 2025: ⃁ 604,074 thousand), amortization of intangible assets and depreciation of right of use assets of ⃁ 530 thousand (30 June 2025: ⃁ 526 thousand) and ⃁ 120,816 thousand (30 June 2025: ⃁ 106,849 thousand) respectively.

**Assets under construction and transfers:**
Assets under construction represents the amounts that are incurred for any purpose of upgrading and refurbishing property and equipment until it is ready to be used in the operation and amount paid for new rigs purchased that are not ready for use. Assets under construction will mainly be transferred to 'Rigs', 'Tools' of the property and equipment after completion. During the six-month period ended 30 June 2026, the Group completed capital projects for the amount of ⃁ 448,555 thousand (30 June 2025: ⃁ 884,887 thousand) and transferred to the relevant asset categories.

## 10. INTEREST BEARING LOANS AND BORROWINGS

| | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|
| Opening balance | **20,249,665** | 12,056,690 |
| Acquired as part of business combination (note 4) | **-** | 5,096,826 |
| Borrowings drawn during the period/year | **1,545,599** | 10,727,743 |
| Borrowings repaid during the period/year | **(1,225,703)** | (7,652,658) |
| (Unamortized)/amortised arrangement fees, net | **(3,483)** | 21,064 |
| | **20,566,078** | 20,249,665 |
| Current | **2,384,559** | 2,290,203 |
| Non-current | **18,181,519** | 17,959,462 |
| | **20,566,078** | 20,249,665 |

## 10. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

| *Type* | *Original tenor* | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|---|
| **Current loans and borrowings** | | | |
| Loan 1 Syndication Facility A | 8 Years | **413,821** | 413,631 |
| Loan 1 Syndication Facility C | 8 Years | **240,000** | 240,000 |
| Loan 1 Syndication Facility D | 8 Years | **775,286** | 724,943 |
| Loan 2 BSF | 7 Years | **266,763** | 217,446 |
| Loan 3 SNB | 8 Years | **179,074** | 179,002 |
| Loan 4 Al-Rajhi | 8 Years | **142,874** | 142,845 |
| Loan 5 Al-Inma | 8 Years | **320,384** | 320,294 |
| Loan 6 Al-Mashreq | 5 Years | **1,641** | 4,950 |
| Credit Facility 1 – ABK | | **44,716** | 47,092 |
| **Total current loans and borrowings** | | **2,384,559** | 2,290,203 |

| *Type* | *Original tenor* | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|---|
| **Non-Current loans and borrowings** | | | |
| Loan 1 Syndication Facility A | 8 Years | **2,033,432** | 2,242,300 |
| Loan 1 Syndication Facility C | 8 Years | **1,120,000** | 1,240,000 |
| Loan 1 Syndication Facility D | 8 Years | **8,830,921** | 8,981,236 |
| Loan 2 BSF | 7 Years | **2,549,935** | 1,527,465 |
| Loan 3 SNB | 8 Years | **823,070** | 912,627 |
| Loan 4 AL Rajhi | 8 Years | **921,039** | 992,485 |
| Loan 5 Al Inmaa | 8 Years | **1,903,122** | 2,063,349 |
| **Total non-current loans and borrowings** | | **18,181,519** | 17,959,462 |
| **Total loans and borrowings*** | | **20,566,078** | 20,249,665 |

*The Group's loans and borrowings comprise amount of ⃁ 17,471,344 thousand (2025: ⃁ 17,170,066 thousand) under Islamic Banking Facilities (Sharia compliant) and amount of ⃁ 3,094,734 thousand (2025: ⃁ 3,079,599 thousand) under conventional facilities.

**The secured bank loans are subject to the specific covenants:**
The Group existing debt facilities includes certain financial covenants. The financial covenants are tested semi-annually as of end of June and December for each year. Management is proactively monitoring the covenants on looking forward basis. As of 30 June 2026, there has not been any non-compliance observed in relation to the financial covenants.

The financial covenants include minimum tangible net worth, current ratio, debt service coverage ratio and maximum Gearing, leverage and net leverage ratios. The definitions used for calculating the financial covenants are based on the debt facilities documentations which may vary from IFRS and includes certain adjustments to the actual accounts.

## 11. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

| | ***30 June 2026 (Unaudited)*** | *31 December 2025 (Audited)* |
|---|---|---|
| Authorised shares (in thousands / ‘000) | **1,129,063** | 1,129,063 |
| Issued shares (in thousands / ‘000) | **1,129,063** | 1,129,063 |
| Shares par value (⃁) | **1** | 1 |
| Issued capital in ⃁’000 | **1,129,063** | 1,129,063 |
| Treasury shares in ⃁’000 | **(24,913)** | (24,913) |
| Outstanding share capital in ⃁’000 | **1,104,150** | 1,104,150 |
| Share premium in ⃁’000 * | **2,890,367** | 2,890,367 |

* Share premium represents the excess amounts received over the par value of the shares issued.

The shareholding structure of the Group as at 30 June 2026 is as follows:

| | **Shareholding %** | ***No of shares ‘000*** | ***Value ⃁ ‘000*** |
|---|---|---|---|
| *Shareholders* | | | |
| ADES Investment Holding LTD | **36.5** | **412,277** | **412,277** |
| The Public Investment Fund of the Kingdom of Saudi Arabia | **23.8** | **268,548** | **268,548** |
| Zamil Group Investment Company | **6.7** | **75,647** | **75,647** |
| Free Float | **30.8** | **347,678** | **347,678** |
| Treasury Shares | **2.2** | **24,913** | **24,913** |
| | **100** | **1,129,063** | **1,129,063** |

The shareholding structure of the Group as at 31 December 2025 is as follows:

| | **Shareholding %** | ***No of shares ‘000*** | ***Value ⃁ ‘000*** |
|---|---|---|---|
| *Shareholders* | | | |
| ADES Investment Holding LTD | 36.5 | 412,277 | 412,277 |
| The Public Investment Fund of the Kingdom of Saudi Arabia | 23.8 | 268,548 | 268,548 |
| Zamil Group Investment Company | 6.7 | 75,647 | 75,647 |
| Free Float | 30.8 | 347,678 | 347,678 |
| Treasury Shares | 2.2 | 24,913 | 24,913 |
| | 100 | 1,129,063 | 1,129,063 |

On 22 Dhu al-Hijjah 1447H (corresponding to 8 June 2026), The Group announced the recommendation of its Board of Directors to the Extraordinary General Assembly to increase the company’s capital by 100% via granting bonus shares. Such increase will be via capitalizing ⃁ 1,129,062,513 from the share premium account. Each shareholder will be granted one bonus share for each one share owned by shareholders at the eligibility date.

The proposed grant remains subject to obtaining the required official approvals of the competent authorities and the Extraordinary General Assembly, for the capital increase and the number of granted shares.

## 12. EARNINGS PER SHARE

Basic earnings per share (EPS) amounts are calculated by dividing the profit for the period attributable to the equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period after adjusting the number of ordinary shares by the treasury shares.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. As at 30 June 2026, there were no potential dilutive shares and hence the basic and diluted EPS is same.

The information necessary to calculate basic and diluted earnings per share is as follows:

| | ***For the three-month period ended*** | | ***For the six-month period ended*** | |
|---|---|---|---|---|
| | ***30 June 2026 (Unaudited)*** | *30 June 2025 (Unaudited)* | ***30 June 2026 (Unaudited)*** | *30 June 2025 (Unaudited)* |
| Profit for the period attributable to the ordinary equity holders of the Parent for basic and diluted EPS (⃁'000) | **128,531** | 188,603 | **364,973** | 382,758 |
| Weighted average number of ordinary shares outstanding in thousands ('000) – basic and diluted | **1,104,150** | 1,100,936 | **1,104,150** | 1,100,936 |
| Earnings per share basic and diluted | **0.12** | 0.17 | **0.33** | 0.35 |

## 13. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the shareholders that have control or significant influence over the Group, directors, affiliates (representing entities directly or indirectly controlled by the Group's shareholders) and key management personnel.

The Public Investment Fund of the Kingdom of Saudi Arabia is one of the Shareholders which is ultimately controlled by the Government of the Kingdom of Saudi Arabia ("KSA Government"). The entities under the control of the KSA Government constitute other related parties below.

The entities under common shareholding represent the entities controlled by ADES Investment Holding Ltd or its shareholders. The terms and conditions of the transactions entered into with the related parties are approved by the Group's management.

(a) Following are the significant related party transactions recorded in the interim condensed consolidated statement of comprehensive income:

| | ***For the three-month period ended*** | | ***For the six-month period ended*** | |
|---|---|---|---|---|
| | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* |
| Revenue from other related parties | **751,699** | 918,166 | **1,605,229** | 1,817,011 |
| Profit share from the investment in the joint venture | **1,317** | 1,873 | **3,250** | 5,760 |
| Finance cost from other related parties | **(137,913)** | (100,628) | **(272,203)** | (202,967) |
| Dividend received from equity instruments (FVOCI) with other related party | **-** | 1,215 | **-** | 2,431 |

The balances with related parties other than the entities controlled by the KSA Government are reported as due to and from related parties on the face of the consolidated statement of financial position. The balances with the entities controlled by the KSA Government are disclosed in the note (ii) below.

## 13. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

*i) Due from balances with a related party:*

| | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|
| ***Entities under common control*** | | |
| Innovative Energy Holding Ltd | **1,223** | 1,223 |
| | **1,223** | 1,223 |

The above outstanding balances at the period-end are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 June 2026, the Group has not recorded any provision for expected credit losses relating to receivables and amounts owed by related parties. This assessment is undertaken each financial period by examining the financial position of the related party and the market in which the related party operates.

*ii) Other significant balances are as follows:*

| | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|
| Bank balances and cash with other related parties | **74,643** | 120,384 |
| Interest-bearing loans and borrowings from other related parties | **8,401,691** | 8,925,803 |
| Trade receivables and unbilled receivables from other related parties | **394,344** | 412,154 |
| Trade receivables from joint venture * | **1,067** | 1,067 |
| Derivative financial instrument assets/liability with other related parties | **20,940** | 1,813 |
| Investment in joint venture | **37,263** | 34,013 |

Refer to the respective disclosure notes for the terms and conditions of the interest-bearing loans and other balances above with the related parties. Further, refer to note 14 for guarantees issued by the related parties.

* Trade receivables from the joint venture have been fully impaired in accordance with the Group's expected credit loss assessment.

The management applies the exemption in IAS 24 and has accordingly complied with disclosure requirements applicable to transactions with government-related entities.

**Compensation of key management personnel**
The remuneration of key management personnel during the period was as follows:

| | ***For the three-month period ended*** | | ***For the six-month period ended*** | |
|---|---|---|---|---|
| | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* | ***30 June 2026 (Unaudited) ⃁'000*** | *30 June 2025 (Unaudited) ⃁'000* |
| Total benefits (including salary, bonus and other allowances) | **2,095** | 2,039 | **5,017** | 6,277 |
| Directors' remunerations | **89** | 47 | **178** | 100 |

## 14. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

| | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|
| Letter of guarantees* | **2,074,387** | 2,128,054 |

Contingent liabilities represent letters of guarantee issued in favor of customs authorities and customers. The cover margin on such guarantees amounted to ⃁46,295 thousand (31 December 2025: ⃁ 47,822 thousand).

** The Group has the following related party balances included in letter of guarantees above:*

- The Group entered into a bilateral agreement with Gulf International Bank dated November 2023 amounted of ⃁ 250,000 thousand available to cover working capital needs including issuance of letters of guarantees. As of 30 June 2026, the Group utilized letter of guarantees for a total amount of ⃁ 195,543 thousand (31 December 2025: ⃁ 207,616 thousand).

- The Group entered into a bilateral agreement with Alinma Bank dated April 2019 amounted of ⃁ 37,500 thousand available to cover working capital needs including issuance of letters of guarantees. As of 30 June 2026, the Group utilized letter of guarantees for a total amount of ⃁ 24,364 thousand (31 December 2025: ⃁ 24,364 thousand).

- The Group entered into a bilateral agreement with Saudi National Bank in KSA (SNB) dated May 2019 amounted of ⃁ 10,999 thousand available to issuance of letters of guarantees. As of 30 June 2026, the Group utilized letter of guarantees for a total amount of ⃁ 9,519 thousand (31 December 2025: ⃁ 9,519 thousand).

***Capital commitment***
The Group has a capital commitment for ⃁ 215 million as at 30 June 2026 (31 December 2025: ⃁225 million).

## 15. FINANCIAL INSTRUMENT AT FAIR VALUES

### DERIVATIVE FINANCIAL INSTRUMENTS

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair values of derivative financial instruments are as follows:

| | ***30 June 2026 (Unaudited) ⃁'000*** | *31 December 2025 (Audited) ⃁'000* |
|---|---|---|
| ***Derivative financial instruments assets:*** | | |
| **Non-current** | | |
| Interest rate swaps | **37,425** | 6,307 |
| Foreign exchange rate | **-** | 2,071 |
| | **37,425** | 8,378 |
| ***Derivative financial instruments liability:*** | | |
| **Current** | | |
| Foreign exchange rate | **2,142** | - |

## 15. FINANCIAL INSTRUMENT AT FAIR VALUES (CONTINUED)

### DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

| | ***Total (Unaudited) ⃁'000*** | ***Level 1 (Unaudited) ⃁'000*** | ***Level 2 (Unaudited) ⃁'000*** | ***Level 3 (Unaudited) ⃁'000*** |
|---|---|---|---|---|
| **As at 30 June 2026 (Unaudited)** | | | | |
| *Fair value through other comprehensive income* | | | | |
| Derivative financial instrument assets: | | | | |
| Interest rate swap | **37,425** | **-** | **37,425** | **-** |
| *Fair value through profit or loss* | | | | |
| Derivative financial instrument liability: | | | | |
| Foreign exchange rate | **(2,142)** | **-** | **(2,142)** | **-** |

| | *Total (Audited) ⃁'000* | *Level 1 (Audited) ⃁'000* | *Level 2 (Audited) ⃁'000* | *Level 3 (Audited) ⃁'000* |
|---|---|---|---|---|
| As at 31 December 2025 (Audited) | | | | |
| *Fair value through other comprehensive income* | | | | |
| Derivative financial instrument assets: | | | | |
| Interest rate swap | 6,307 | - | 6,307 | - |
| *Fair value through profit or loss* | | | | |
| Derivative financial instrument assets: | | | | |
| Foreign exchange rate | 2,071 | - | 2,071 | - |

During the six-month period ended 30 June 2026, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 at fair value measurements. (31 December 2025: Nil).

## 16. DIVIDENDS

### 16-a DIVIDENDS TO SHAREHOLDERS

During the six-month period ended 30 June 2026, the Group's Board of Directors approved cash dividends of ⃁ 0.24 per share totalling to ⃁ 265 million (30 June 2025: ⃁ 0.22 per share totalling to ⃁ 242 million). It has been fully paid.

### 16-b DIVIDENDS TO NON-CONTROLLING INTEREST

During the six-month period ended 30 June 2026, dividends of ⃁ 14,845 thousand (30 June 2025: nil) have been paid by UPDC, one of the Group's subsidiaries, to its non-controlling shareholders in respect of 2025 profits.

## 17. GEOPOLITICAL DEVELOPMENTS

During the six-month period ended 30 June 2026, the geopolitical tensions in certain parts of the Middle East, resulted in temporary suspensions for certain rigs operating within the GCC region. Based on management's current assessment and available information, these disruptions are expected to be temporary in nature and are not anticipated to have a material impact on the Group's overall operations, financial position, or liquidity.

Management continues to closely monitor the evolving regional developments and has assessed the potential implications on the Group's operations, including related revenue streams, asset recoverability, and contractual commitments. The Group's diversified geographical footprint across more than 20 countries and operational flexibility continue to support the resilience of its business model against localized disruptions.

## 18. SUBSEQUENT EVENT

On 9 August 2026G, the Board of Directors of the Company has proposed a cash dividend of SAR 220.83 million (SAR 0.20 per share), in accordance with the authorization granted to the Board of Directors by the Annual General Assembly held on 28 June 2026G to distribute interim dividends on a biannual basis for the fiscal year 2026G.