

ADNOC Drilling



ADNOC DRILLING COMPANY P.J.S.C.

Reports and consolidated financial
statements for the year ended 31 December
2025



ADNOC Drilling Company P.J.S.C.

**Reports and consolidated financial statements
for the year ended 31 December 2025**

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Directors' report for the year ended 31 December 2025

The Directors are pleased to submit their report, together with the audited consolidated financial statements of ADNOC Drilling Company P.J.S.C. ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2025.

Board of Directors:

The Directors of the Company are:

Chairman	H. E. Dr. Sultan Ahmed Al Jaber
Vice Chairman	Abdulmunim Saif Al Kindy
Members	Dr. Abdulla Al Jarwan
	Musabbah Al Kaabi
	Khaled Al Zaabi
	Mohamed Saif Al Aryani
	Katherine Wallgren

Principal activities

The Group is engaged in providing start to finish drilling and construction services across both conventional and unconventional reservoirs, and the hiring out of onshore and offshore drilling rigs to parties involved in onshore and offshore oil and gas exploration and production.

Financial highlights

Consolidated statement of financial position

The Group's consolidated financial position remains very healthy showing net assets at 31 December 2025 of USD 4,099,312 thousand (2024: USD 3,810,169 thousand) with the increase in total net assets mainly due to the profit made in excess of dividend payments in the current year.

Consolidated statement of profit or loss and other comprehensive income:

The Group recognised revenue for the year of USD 4,902,886 thousand (2024: USD 4,034,222 thousand). Profit after tax for the year was USD 1,448,781 thousand (2024: USD 1,303,566 thousand). The increase in revenue was due to additional drilling and oilfield services provided to ADNOC Onshore and ADNOC Offshore.

Consolidated statement of cash flows:

Net cash generated from operating activities amounted to USD 2,225,843 thousand (2024: USD 1,653,666 thousand), the increase is mainly due to movement in trade and other payables and related party balances. Net cash used in investing activities amounted to USD 983,972 thousand (2024: USD 1,015,153 thousand) which relates to additions to property and equipment, investments made in joint ventures and advances for acquisition of a subsidiary. Net cash used in financing activities amounted to USD 1,336,143 thousand (2024: USD 662,347 thousand) which mainly relates to finance cost, dividend payments and net borrowings movement.

Directors' report for the year ended 31 December 2025 (continued)

The appropriation of the results for the year is follows:

	USD '000
Retained earnings at 1 January 2025	3,161,828
Total comprehensive income for the year	1,448,781
Dividends	(1,143,567)
	<hr/>
Retained earnings at 31 December 2025	3,467,042

Subsequent events

As of the date of this report, no major events have occurred (except as disclosed in note 32 to the consolidated financial statements) that may have a significant impact on the consolidated financial statements for the year ended 31 December 2025.

Financial reporting framework

The Directors of the Group, to the best of their knowledge, believe that:

- The consolidated financial statements, prepared by the management of the Group, fairly present its state of affairs, the results of its operations, cash flows and changes in equity;
- The Group has maintained proper books of account;
- Appropriate accounting policy information have been consistently applied in the preparation of consolidated financial statements unless otherwise stated, and accounting estimates are based on reasonable and prudent judgment; and
- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), and comply, where appropriate with the local laws.

For the Board of Directors



Chairman
Abu Dhabi
United Arab Emirates
11 February 2026



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of ADNOC Drilling Company P.J.S.C. ("the Company) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority (ADAA) Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) applicable to audits of consolidated financial statements of public interest entities, together with the other ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**INDEPENDENT AUDITOR’S REPORT
TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C. (continued)**

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. The key audit matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group reported revenue, as disclosed in Note 19, from drilling and oilfield services for the year ended 31 December 2025, of which 92.7% is attributable to contracts with its related parties, ADNOC Onshore and ADNOC Offshore.</p> <p>The Group has a large volume of transactions with related parties in the normal course of business. There is inherent risk around occurrence of revenue recognised given over 92.7% of the transactions are with related parties.</p> <p>We considered revenue recognition to be a key audit matter given the quantitative significance of the amount in the context of the consolidated financial statements, the large volume of transactions and the level of audit effort required</p> <p>The Group’s accounting policies relating to revenue recognition are presented in note 3 to the consolidated financial statements and details about the Group’s revenue are disclosed in note 18 to the consolidated financial statements.</p>	<p>Our audit approach included a combination of test of controls and substantive procedures and included, inter alia, the following:</p> <ul style="list-style-type: none"> • Understanding the significant revenue processes and identifying the relevant controls related to revenue recognition; • Evaluating the design and testing the operating effectiveness of manual controls over sales to related parties; • Analysing relevant agreements and determining that transactions were recorded in accordance with the substance of the relevant agreements. • Comparing revenue amounts to the prior year. If we identified any unexpected variance, we carried out more focused testing; • Performing test of details on a sample basis to confirm that the revenue was recognised in accordance with the terms of relevant agreements; • Obtaining direct confirmations from related parties of the revenue recognised during the year and reconciling these amounts with the billings and accruals made during the year; • Performing sales cut-off procedures by selecting a sample of revenue transactions recorded before and after year-end to determine if sales are recorded in the appropriate period; • Assessing whether the revenue recognition criteria adopted by the Group is appropriate and is in accordance with the requirements of IFRS Accounting Standards; and • Assessing the adequacy of disclosures in the consolidated financial statements relating to revenue against the requirements of IFRS Accounting Standards.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C. (continued)**

Other Information

Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report, and the Chairman's statement, CEO statement and the other information in the annual report, which are expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Message, the CEO's Message and the other information in the annual report, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Decree Law (32) of 2021, as amended and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C. (continued)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C. (continued)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Decree Law. (32) of 2021, as amended, we report for the year ended 31 December 2025 that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree law (32) of 2021, as amended;
- The Group has maintained proper books of account;
- The financial information included in the Directors' report is consistent with the books of account of the Group;
- As disclosed in note 8 to the consolidated financial statements, the Group has made investments during the financial year ended 31 December 2025;
- Note 18 to the consolidated financial statements discloses material related party transactions, balances, and the terms under which they were conducted; and
- Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law. (32) of 2021, as amended, or of its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.

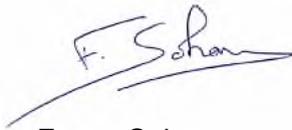
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADNOC DRILLING COMPANY P.J.S.C. (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

Further, as required by ADAA Chairman Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we report in connection with our audit of the consolidated financial statements for the year ended 31 December 2025, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2025:

- Its Articles of Association; and
- Relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Group's consolidated financial statements.

Deloitte & Touche (M.E.)

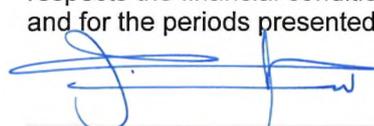


Faeza Sohawon
Registration No. 5508
11 February 2026
Abu Dhabi
United Arab Emirates

**Consolidated Statement of financial position
as at 31 December 2025**

	Notes	31 December 2025 USD '000	31 December 2024 USD '000
ASSETS			
Non-current assets			
Property and equipment	5	5,477,158	5,352,674
Right-of-use assets	6	45,729	23,310
Intangible assets	7	10,769	5,301
Deferred tax assets		1,228	1,397
Investment in joint ventures	8	437,090	275,240
Advances		8,292	2,230
Advance for acquisition of a subsidiary	31	90,926	-
Total non-current assets		6,071,192	5,660,152
Current assets			
Inventories	9	279,030	223,083
Trade and other receivables	10	150,376	185,958
Due from related parties	18	1,364,794	1,361,282
Cash and cash equivalents	11	236,016	330,288
Total current assets		2,030,216	2,100,611
Assets held for sale	12	-	5,708
		2,030,216	2,106,319
Total assets		8,101,408	7,766,471
EQUITY AND LIABILITIES			
Equity and reserve			
Share capital	13	435,671	435,671
Share premium - net	14	(1,708)	504
Treasury shares	14	(19,529)	(5,670)
Statutory reserve	13	217,836	217,836
Retained earnings		3,467,042	3,161,828
Total equity		4,099,312	3,810,169
Non-current liabilities			
Borrowings	15	1,246,507	1,495,227
Trade and other payables	17	75,399	64,849
Lease liabilities	6	35,855	12,027
Provision for employees' end of service benefits	16	136,457	122,853
Total non-current liabilities		1,494,218	1,694,956
Current liabilities			
Borrowings	15	1,022,532	799,523
Trade and other payables	17	1,039,419	1,175,749
Income tax payable		11,000	15,000
Lease liabilities	6	11,726	13,130
Due to related parties	18	416,071	250,850
Provision for employees' end of service benefits	16	7,130	7,094
Total current liabilities		2,507,878	2,261,346
Total liabilities		4,002,096	3,956,302
Total equity and liabilities		8,101,408	7,766,471

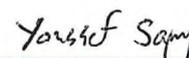
To the best of our knowledge, the financial information included in the report fairly present in all material respects the financial condition, result of operations and cash flows of the Group as of 31 December 2025, and for the periods presented in the report.



H. E. Dr. Sultan Ahmed Al Jaber
Chairman



Abdulla Ateya Al Messabi
Chief Executive Officer



Yousef Samy Salem
Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2025**

	Notes	31 December 2025 USD '000	31 December 2024 USD '000
Revenue	19	4,902,886	4,034,222
Direct cost	20	(3,105,963)	(2,337,407)
Gross profit		1,796,923	1,696,815
General and administrative expenses	21	(167,197)	(155,358)
Other income - net		26,991	6,388
Share of results of joint ventures	8	29,000	8,490
Finance cost	23	(109,463)	(135,995)
Finance income		11,626	11,736
Profit before tax		1,587,880	1,432,076
Income tax	30	(139,099)	(128,510)
Profit after tax		1,448,781	1,303,566
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,448,781	1,303,566
Earnings per share:			
Basic and diluted	29	0.091	0.081

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of changes in equity
for the year ended 31 December 2025**

	Share capital USD '000	Share premium-net USD '000	Treasury shares USD '000	Statutory reserve USD '000	Retained earnings USD '000	Total equity USD '000
Balance at 1 January 2024	435,671	-	-	217,836	2,610,714	3,264,221
Total comprehensive income for the year	-	-	-	-	1,303,566	1,303,566
Own shares acquired in the year	-	504	(5,670)	-	-	(5,166)
Dividends (note 24)	-	-	-	-	(752,452)	(752,452)
Balance at 31 December 2024	435,671	504	(5,670)	217,836	3,161,828	3,810,169
Balance at 1 January 2025	435,671	504	(5,670)	217,836	3,161,828	3,810,169
Total comprehensive income for the year	-	-	-	-	1,448,781	1,448,781
Own shares acquired in the year	-	(2,212)	(13,859)	-	-	(16,071)
Dividends (note 24)	-	-	-	-	(1,143,567)	(1,143,567)
Balance at 31 December 2025	435,671	(1,708)	(19,529)	217,836	3,467,042	4,099,312

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of cash flows
for the year ended 31 December 2025**

		31 December 2025 USD '000	31 December 2024 USD '000
	Notes		
Cash flows from operating activities			
Profit before tax		1,587,880	1,432,076
<i>Adjustments for:</i>			
Depreciation of property and equipment	5,20,21	497,084	426,473
Depreciation of right-of-use assets	6,20,21	11,042	28,435
Amortisation of intangible assets	7,21	4,193	3,544
Gain on disposal of assets held for sale		(1,292)	-
Write off of property and equipment – net		-	3,235
Gain on disposal of property and equipment		(21,595)	(510)
Employees end of service benefit charge	16,22	20,770	22,464
Share of results of joint ventures	8	(29,000)	(8,490)
Allowance for slow-moving inventories	9	2,750	5,495
Expected credit loss charge		-	9,000
Finance cost	23	109,463	135,995
Finance income		(11,626)	(11,736)
Operating cash flows before changes in working capital		2,169,669	2,045,981
Changes in working capital on account of:			
Inventories		(58,697)	(22,471)
Advances		(6,062)	(576)
Trade and other receivables		57,304	(32,012)
Due from related parties		(3,512)	(380,586)
Trade and other payables		51,980	164,563
Due to related parties		165,221	613
Cash generated from operating activities		2,375,903	1,775,512
Employees' end of service benefit paid	16	(7,130)	(6,939)
Income tax paid		(142,930)	(114,907)
Net cash from operating activities		2,225,843	1,653,666
Cash flows from investing activities			
Purchase of property and equipment		(805,215)	(758,409)
Purchase of intangible assets		(9,661)	(3,413)
Proceed from disposal of property and equipment		36,000	-
Proceed from disposal of assets held for sale		7,000	-
Acquisition of investment in joint ventures	8	(132,850)	(266,750)
Advances for acquisition of a subsidiary	31	(90,926)	-
Finance income received		11,680	13,419
Net cash used in investing activities		(983,972)	(1,015,153)

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of cash flows
for the year ended 31 December 2025 (continued)**

		31 December 2025 USD '000	31 December 2024 USD '000
	Notes		
Cash flows from financing activities			
Lease liabilities paid		(11,037)	(75,055)
Proceed from borrowings – net	15	600,565	824,780
Repayment of borrowings	15	(626,276)	(522,294)
Advances		(13,615)	-
Dividends paid	24	(1,143,567)	(752,452)
Finance cost paid		(126,142)	(132,160)
Purchase of treasury shares		(922,292)	(273,241)
Sales of treasury shares		906,221	268,075
Net cash used in financing activities		(1,336,143)	(662,347)
Net decrease in cash and cash equivalents		(94,272)	(23,834)
Cash and cash equivalent at the beginning of the year	11	330,288	354,122
Cash and cash equivalents at the end of the year		236,016	330,288
Non-cash transactions:			
Additions and modifications to right-of-use assets and lease liabilities		33,461	(1,999)
Proceed from borrowings		1,250,000	-
Repayment of borrowings		(1,250,000)	-

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2025

1. General information

ADNOC Drilling Company P.J.S.C. (“the Company”) is a public joint stock company, incorporated in 1972 by a resolution of the Council of Ministers of the Government of Abu Dhabi. On 29 September 2021, Law No. 9 of 2021 was issued amending Law No. 21 of 2018 that was issued on 6 November 2018, replacing Law No. 4 of 1981 in respect of the incorporation of ADNOC Drilling Company PJSC registered with the commercial register in Abu Dhabi under the commercial license number CN-2688881 issued by the Abu Dhabi Department of Economic Development. The Company also holds an industrial license number IN-2003460 jointly issued by the Abu Dhabi Department of Economic Development and Industrial Development Bureau. The Company is a subsidiary of Abu Dhabi National Oil Company (“ADNOC”), which is wholly owned by the Government of Abu Dhabi. The Company’s shares are listed on the Abu Dhabi Securities Exchange.

During the year, ADNOC transferred its shareholding in the Company to XRG P.J.S.C (“XRG”). XRG is an international energy investment company incorporated and headquartered in Abu Dhabi and is 100% owned and controlled by ADNOC. Following the transfer, XRG became the Company’s shareholder; however, ADNOC remains the Company’s Parent, as it retains control over governance in the Company.

The transfer was effected through an off-market share transfer on the ADX after receipt of the relevant regulatory approvals. The transaction was an internal administrative re-organisation within the ADNOC Group and did not result in any change in the ultimate ownership, control or governance of the Company.

The registered address of the Company is P.O Box 4017 Abu Dhabi, United Arab Emirates (U.A.E.). The Company is engaged in providing start to finish drilling and construction services across both conventional and unconventional reservoirs, and the hiring out of onshore and offshore drilling rigs to parties involved in onshore and offshore oil and gas exploration and production.

The registered address of ADH RSC LTD (“the subsidiary”) is 2705,2, Al Sarab Tower, Abu Dhabi Global Market Square, Abu Dhabi, United Arab Emirates. The subsidiary is engaged in the activities of holding companies. The subsidiary registered a branch in the Kingdom of Jordan under the registration no. 1101 on 28 February 2024.

“On 24 July 2025, a new entity, SLDC HOLDING RSC LTD was incorporated in Abu Dhabi Global Market (“ADGM”) as a Restricted Scope Company. The Company, through its subsidiary ADH RSC Ltd holds 100% shares in the entity.”

These consolidated financial statements comprise of the assets & liabilities and results of operations of Company and its subsidiaries (“the Group”).

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1. New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Amendment to IAS 21— Lack of Exchangeability

The amendments to IAS 21 The Effects of Changes 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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2. New and revised IFRS in issue but not yet effective and not early adopted

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027
<i>Annual improvements to IFRS Accounting Standards — Volume 11</i>	1 January 2026

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

IFRS Sustainability Disclosure Standards

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

The above stated new standards and amendments are not expected to have any significant impact, other than IFRS 18, will have a material impact on the consolidated financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the consolidated financial statements and its notes.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

3. Material accounting policy information

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRSs as issued by the International Accounting Standard Board (IASB) and applicable provision of the UAE Federal Decree Law no. (32) of 2021, as amended.

Basis of preparation

The consolidated financial statements have been prepared in United States Dollar (USD), which is the Group's functional and presentation currency and all values are rounded to the nearest thousands (USD'000) except when otherwise stated.

These consolidated financial statements have been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Going concern

At 31 December 2025, the Group's current liabilities exceed its current assets by USD 477,662 thousand (2024: USD 160,735 thousand). Management has assessed liquidity forecast under different scenarios and no material uncertainties over going concern were identified. The Group has sufficient liquidity through the Company's undrawn borrowing facilities (note 15) as well as the Group's forecasted cash flows from operations to meet ongoing commitments and therefore it is concluded that adequate support is available to evidence that the going concern assumption is appropriate for the preparation of these consolidated financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company ("its subsidiary"). Control is achieved where the Company has:

- power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Basis of consolidation (continued)

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Details of the Company's subsidiaries are as follows:

Name of subsidiaries	Ownership interest		Country of incorporation	Principal activities
	2025	2024		
ADH RSC LTD	100%	100%	U.A.E.	Activities of holding company
SLDC RSC Holding LTD*	100%	-	U.A.E.	Activities of holding company

Details of the Group's joint ventures are as follows:

Name of joint ventures	Ownership interest		Country of incorporation	Principal activities
	2025	2024		
ENERSOL Limited	51%	51%	U.A.E.	Special Purpose Vehicle (SPV) - holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets
Turnwell Industries – L.L.C	55%	55%	U.A.E.	Technical maintenance, natural gas and oil well equipment and maintenance, services exploration for oil and natural gas

*The Company holds 100% shares in SLDC HOLDING RSC LTD through ADH RSC LTD.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3. Material accounting policy information (continued)****Investments in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Investments in equity-accounted investees (continued)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The historical cost consists of expenses related directly to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each consolidated statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and yards	10 – 20 years
Drilling rigs and equipment	4 – 30 years
Motor vehicles	4 years
Furniture, fixtures and office equipment	4 years

During the current year, the Group has revised the useful lives and residual value of the Drilling rigs and equipment based on its strategic objectives, business plan, internal and external assessment, and approval from the management. The financial impact of this re-assessment is disclosed in note 4.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The repair and maintenance expenses are included in the consolidated statement of profit or loss and other comprehensive income when incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3. Material accounting policy information (continued)****Capital work in progress**

Capital work in progress is included in property and equipment at cost. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the above policies when construction of the asset is completed and the asset is commissioned and available for uses.

Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Intangible assets represent computer software with estimated useful life of 4 years and is amortised on straight-line basis.

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property and equipment, intangible assets, and rights-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes invoice value, freight and other expenses incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use assets and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Impairment of tangible and intangible assets' policy.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Employee benefits

Provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting date.

The provision relating to annual leave and leave passage is disclosed as a current liabilities, while that relating to end of service benefit is disclosed as a non-current liabilities.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Drilling and oil field services

The drilling services represent drilling contracts that includes rig packages, including crews and support equipment and providing start to finish drilling and construction services across both conventional and unconventional reservoirs, to its customers. Contracts may be for a single well, multiple wells or a fixed term.

The Group's drilling services provided under each drilling rig contract is a single performance obligation satisfied over time and is comprised of a series of distinct time service periods in which the Group provides drilling services.

Variable consideration is assessed to the extent that it is probable that a significant reversal will not occur during the contract term. When determining if variable consideration should be recognised, management considers whether there are factors outside of the Group's control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue.

Revenue from reimbursable goods and services

Revenue from reimbursable goods and services represents mark-ups on certain equipment, materials and supplies, third party services and other expenses acquired at the request of the customer.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Foreign currencies

For the purpose of these consolidated financial statements United States Dollar (USD) is the functional and the presentation currency of the Group.

Transactions in currencies other than USD (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group does not currently have any financial assets that are measured at fair value.

Financial assets designated at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3. Material accounting policy information (continued)****Financial instruments (continued)****Financial assets (continued)**

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholder

Where the Company purchases the Company's equity instruments, the consideration paid, including any direct attributable incremental external cost is deducted from the equity attributable to the owners until the equity instruments are reissued disposed of or cancelled. Where such shares are disposed of or reissued such consideration received is included in equity." The repurchase of equity instruments issued by the Company is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of equity instruments issued by the Company.

Financial liabilities measured subsequently at amortised cost

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Financial liabilities and equity instruments (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset.

Employees' pension

The Group makes pension contributions on behalf of UAE citizens in accordance with the Emirate of Abu Dhabi Law No. 2 of 2000. The contributions are treated as payments to a defined contribution pension plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension entity fund.

The Group has no legal or constructive obligations to pay further contributions if the Abu Dhabi Retirement Pensions & Benefits Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Value added tax

Value added tax ('VAT') represents a standard rate of 5% that shall be imposed on any supply or import pursuant to Article (2) of the Federal Decree Law No. (8) of 2017 on the value of the supply or import as specified in the provisions of this Decree Law, effective from 1 January 2018.

- VAT payable, is payable to the Tax Federal Authority upon collection of receivables from customers. VAT on purchases, which have been settled at the date of the consolidated statement of financial position, are deducted from the amount payable.
- VAT receivable, relates to purchases which have not been settled at the date of the consolidated statement of financial position, VAT receivable is reclaimable against sales VAT upon payment of the purchases.

Current income tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3. Material accounting policy information (continued)

Non-current assets held-for-sale

The Group classifies non-current assets held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property and equipment and intangible assets are not depreciated or amortised once classified as held-for-sale. Assets classified as held-for-sale are presented separately as current items in the consolidated statement of financial position.

The Group measures a non-current assets held-for-sale that ceases to be classified as held for sale at the lower of its:

- carrying amount before the asset was classified as held for sale adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (not been classified as held for sale
- recoverable amount at the date of the subsequent decision not to sell

4. Key judgement and source of estimation and uncertainty

The preparation of the consolidated financial statements in compliance with IFRSs requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue presentation

Third party rig rental contracts are those which are entered into with third parties for the benefit of related parties. In such contracts, the Group neither has control over the rigs or services provided by the third party nor takes delivery of the rigs prior to its deployment by the related parties. In addition, the Group enters into back-to-back arrangements with related parties on the same term as it does with the third parties (which is contractually acknowledged by the third parties). Consequently, management has concluded that it is acting as an agent in these arrangements. Accordingly, revenue and cost relating to these services are presented on a net basis. Had management concluded that they were acting as principal in these transactions, revenue and direct costs would have been higher by USD 165,562 thousand in the current year (2024: USD 244,116 thousand).

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

4. Key judgement and source of estimation and uncertainty (continued)

Critical accounting judgments (continued)

Capitalisation of borrowing costs

As described in note 3, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Qualifying assets are the acquisition of rigs which take substantial period of time to get ready for their intended use or sale. The borrowing cost is capitalised for these rigs, until such time as the rigs is substantially ready for their intended use or sale. Significant judgment is required to determine whether the rigs take a significant period of time to get ready for their intended use based on management's assessment of the various activities that are required before the rigs enter into operation. During the year borrowing costs amounting to USD 10,886 thousand (2024: USD 13,959 thousand) have been capitalised.

Determining the lease term

Certain leases are entered into with a related party which contain clauses for automatic annual renewal of the lease term unless either party provides a notice to not extend the lease. In determining the lease term, management considers all facts and circumstances that create an economic incentive to not exercise a termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated. Management considers all facts and circumstances that create an economic incentive to not terminate the lease to determine the appropriate lease terms.

During the year ended 31 December 2025, no significant events or significant change in circumstances occurred that caused the management to reassess the lease term of such contracts.

Leases purchase option

Certain leases in the prior year as disclosed in note 6 were entered with a lessor which contain clauses for purchase options of the leased assets. In determining the lease payments included in the measurement of lease liability, Management has considered the exercise price of purchase options as it is reasonably certain that the Group will exercise these options. The right-of-use-assets relating to these leases is being depreciated over the useful life of the underlying assets as the Group is reasonably certain to exercise the purchase option. Management has applied judgment and estimates to determine the incremental borrowing rate (IBR) at the commencement of the lease.

Offsetting of related party balances

Balances due from/to related parties as disclosed in note 18 are reported on a net basis in the accompanying consolidated financial statements. Management has established that a legally enforceable right to set off such amounts exist, and the Group intends to settle on net basis or to realise the assets and settle the liabilities simultaneously.

Key sources of estimation uncertainty

Calculation of ECL

When measuring ECL the Group uses reasonable and supportable forward-looking information and estimates, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL and is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As at 31 December 2025, the Group's allowance for expected credit losses amounted to USD 28,004 thousand (2024: USD 28,004 thousand).

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

4. Key judgement and source of estimation and uncertainty (continued)

Key sources of estimation uncertainty (continued)

Joint arrangement

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations. Management has applied several critical judgements to arrive at the conclusion on joint control, which included the assessment of the substance over legal form in respect of the unanimous approvals of relevant activities by the Joint venture partners. Management has assessed and concluded that there is no material impact on the fair value of the call option compared to its net asset values as of the reporting period and thereby amounts recorded in books carried at its fair value.

Assessment of control

Management assessed whether the Group obtained control over Sea and Land Drilling Contractors, Inc. ("SLDC"). The assessment considered whether the Group has (i) power over the relevant activities of the Investee, (ii) exposure, or rights, to variable returns from its involvement, and (iii) practical ability to use its power to affect the returns as of reporting date. Based on the contractual arrangements and governance structure, management concluded that control was obtained on the date on which the Group acquired the substantive ability to direct the relevant activities, primarily through its ability to control the composition of the board of directors. Management determined that this date represented the acquisition date and accordingly, will be consolidated from the acquisition date.

Impairment of property and equipment

Property and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Management has not identified impairment indicators in the current and prior year.

Provision for slow moving or obsolete inventories

When inventories become old or obsolete, an estimate is made of their net realisable value. Inventory items are categorised based on their aging and accordingly for each category are recognised as a provision for obsolete and slow-moving inventories. Provision for obsolete and slow-moving inventories at 31 December 2024 amounted to USD 35,417 thousand (2024: USD 32,667 thousand).

Useful lives and residual values of property and equipment

Management reviews the estimated useful lives and residual values of property and equipment at the end of each annual reporting period in accordance with IAS 16 *Property, Plant and Equipment*. In the current year, Management has reassessed the useful life of certain drilling equipment and changed it from 8-15 years to 8-20 years. The financial impact of the reassessment resulted in the reduction of related depreciation charge on profit and loss due to the increase in useful lives and residual value by USD 18,347 thousand (2024: nil thousand), with the impact over the next three years estimated at USD 23,501 thousand.

Assessment of impairment on re-classification of assets held for sale

The Group upon the revision of its plan regarding the assets previously classified as held for sale performed an assessment of the recoverable amounts of the rigs and determined that the carrying values of the rigs as of the reporting date were lower than their recoverable amounts and hence no impairment existed as of the reclassification date.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

5. Property and equipment

	Building and yards USD'000	Drilling rigs and equipment USD'000	Motor vehicles USD'000	Furniture fixtures and office equipment USD'000	Construction work- in - progress USD'000	Pre-delivery payments USD'000	Total USD'000
Cost							
At 1 January 2024	97,029	7,804,680	56,803	87,740	635,981	157,978	8,840,211
Additions during the year	-	224,828	-	3,278	479,720	104,330	812,156
Transfers during the year	-	368,169	-	2,677	(270,975)	(99,871)	-
Transfer from right-of-use assets	-	120,167	-	-	-	-	120,167
Transfer from held for sale (note 12)	-	72,017	-	-	-	-	72,017
Transfer to held for sale (note 12)	-	(34,412)	-	-	-	-	(34,412)
Write off	-	(7,402)	-	(5)	-	-	(7,407)
Disposals	-	(28,174)	-	-	-	-	(28,174)
At 1 January 2025	97,029	8,519,873	56,803	93,690	844,726	162,437	9,774,558
Additions during the year	-	236,824	-	16,540	266,890	115,719	635,973
Transfers during the year	14,693	573,595	-	8,874	(508,602)	(88,560)	-
Disposals	-	(31,212)	-	(64)	-	-	(31,276)
At 31 December 2025	111,722	9,299,080	56,803	119,040	603,014	189,596	10,379,255
Depreciation and impairment							
At 1 January 2024	67,136	3,811,196	42,023	72,316	-	-	3,992,671
Charge for the year	4,791	411,831	1,224	8,627	-	-	426,473
Transfer from held for sale (note 12)	-	61,300	-	-	-	-	61,300
Transfer to held for sale (note 12)	-	(28,704)	-	-	-	-	(28,704)
Eliminated on write off	-	(4,167)	-	(5)	-	-	(4,172)
Eliminated on disposals	-	(25,684)	-	-	-	-	(25,684)
At 1 January 2025	71,927	4,225,772	43,247	80,938	-	-	4,421,884
Charge for the year	6,312	466,085	1,228	23,459	-	-	497,084
Eliminated on disposals	-	(16,818)	-	(53)	-	-	(16,871)
At 31 December 2025	78,239	4,675,039	44,475	104,344	-	-	4,902,097
Carrying amount							
At 31 December 2025	33,483	4,624,041	12,328	14,696	603,014	189,596	5,477,158
At 31 December 2024	25,102	4,294,101	13,556	12,752	844,726	162,437	5,352,674

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

5. Property and equipment (continued)

The depreciation is allocated as follows:

Direct cost (note 20)
General and administrative expenses (note 21)

	31 December 2025 USD '000	31 December 2024 USD '000
	493,064	416,262
	4,020	10,211
	497,084	426,473

Property and equipment include assets that are still in use and which are fully depreciated amounting to USD 1,539,151 thousand (2024: USD 1,409,840 thousand).

During the year, the Company sold a rig for cash consideration of USD 36,000 thousand.

6. Rights-of-use assets and lease liabilities

Rights-of-use assets and lease liabilities include warehouse, and office building. Amounts recognised in the consolidated statement of financial position are as follows:

Rights-of-use assets

Balance at the beginning of the year
Additions during the year
Remeasurement
Transferred to property and equipment (note 5)
Depreciation charge during the year

	31 December 2025 USD '000	31 December 2024 USD '000
	23,310	173,911
	33,461	16,372
	-	(18,371)
	-	(120,167)
	(11,042)	(28,435)
	45,729	23,310

Balance at end of the year

Rights-of-use assets including the carrying value of warehouse of USD 8,787 thousand (2024: USD 6,954 thousand) and office building of USD 36,942 thousand (2024: USD 16,356 thousand).

Lease liabilities

Balance at the beginning of the year
Additions
Remeasurement
Derecognition
Accretion of interest
Payments

	31 December 2025 USD '000	31 December 2024 USD '000
	25,157	189,211
	33,461	16,372
	-	(18,371)
	-	(87,000)
	624	7,236
	(11,661)	(82,291)
	47,581	25,157
	47,581	25,157

Balance at end of the year

Disclosed as follows:

Current
Non-current

	11,726	13,130
	35,855	12,027
	47,581	25,157

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

6. Rights-of-use assets and lease liabilities (continued)

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income is as follows:

	31 December 2025 USD '000	31 December 2024 USD '000
Direct cost (note 20)	-	14,958
General and administrative expenses (note 21)	11,042	13,477
	11,042	28,435

In the prior year, the Group opted to exercise the purchase option earlier than the initial arrangement for four rigs and remeasured the lease liability at a revised incremental borrowing rate ("IBR") of 5.97%. This resulted in lease remeasurement amounting to USD 18,371 thousand. Further, the Group acquired ownership of these lease-to-own rigs in the prior year and has transferred the four rigs to property and equipment.

Finance cost (note 23) includes an amount of USD 624 thousand (2024: USD 7,780 thousand) for the unwinding of interest on lease liabilities.

7. Intangible assets

	31 December 2025 USD '000	31 December 2024 USD '000
Cost		
Balance at the beginning of the year	16,062	12,649
Additions during the year	9,661	3,413
Balance at end of the year	25,723	16,062
Accumulated amortisation		
Balance at the beginning of the year	10,761	7,217
Amortisation charge for the year (note 21)	4,193	3,544
Balance at end of the year	14,954	10,761
Carrying amount		
At 31 December	10,769	5,301

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

8. Investment in joint ventures

On 2 January 2024, ENERSOL RSC LTD “ENERSOL” was incorporated in the Abu Dhabi Global Market. During the year ENERSOL was converted into a holding company with operating name as ENERSOL Limited. The Company, through its subsidiary ADH RSC Ltd holds 51% shares in the joint venture while Alpha Dhabi Energy Holding LLC holds 49% shares.

On 25 April 2024, Turnwell Industries – L.L.C (“Turnwell”) was incorporated as a Limited Liability Company, In the prior year the Company through its wholly owned subsidiary ADH RSC LTD had signed shareholder agreements for the creation of Turnwell joint venture (JV) with Eastern Echo FZE and Patterson-UTI UAE LLC. The Company, through its wholly owned subsidiary holds a 55% equity stake.

Movement in the Group’s investment in joint ventures is as follows:

	31 December 2025 USD '000	31 December 2024 USD '000
Balance at the beginning of the year	275,240	-
Additions	132,850	266,750
Share of results of joint ventures	29,000	8,490
Carrying amount of the Group’s ownership interest in the Joint ventures	437,090	275,240

The additions during the year pertain to investments made of USD 94,350 thousand (2024: USD 266,709 thousand) through ENERSOL Limited and USD 38,500 thousand (2024: USD 41 thousand) in Turnwell.

Joint ventures are accounted for using the equity method in the consolidated financial statements as set out in the Group’s accounting policies in note 3.

The latest available financial information in respect of the Group’s joint ventures are as follows:

	31 December 2025		31 December 2024	
	ENERSOL Limited USD '000	Turnwell Industries – L.L.C USD '000	ENERSOL Limited USD '000	Turnwell Industries – L.L.C USD '000
Revenue	425,304	633,309	74,348	141,286
Profit for the year	52,419	16,000	13,255	6,583
Non-current assets	809,878	-	499,507	-
Current assets	234,862	369,105	196,613	141,361
Non-current liabilities	108,309	-	76,088	-
Current liabilities	53,919	276,802	38,255	134,700
Total net equity	882,512	92,303	581,777	6,661
Company share of profit for the year	20,000	9,000	5,090	3,400
Company share of net assets	386,149	50,941	271,799	3,441
Cash and cash equivalents	59,006	59,057	34,129	5
Current liabilities (excluding trade payables and provision)	5,630	252,395	4,034	130,609
Non-current liabilities (excluding trade payables and provision)	103,899	-	86,256	-

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

9. Inventories

	31 December 2025 USD '000	31 December 2024 USD '000
Inventories	314,447	255,750
Less: allowance for slow moving or obsolete inventories	(35,417)	(32,667)
	279,030	223,083

The movement in the allowance for slow moving or obsolete inventories during the year was as follows:

	31 December 2025 USD '000	31 December 2024 USD '000
Balance at beginning of the year	32,667	27,172
Charge during the year	2,750	5,495
Balance at end of the year	35,417	32,667

10. Trade and other receivables

	31 December 2025 USD '000	31 December 2024 USD '000
Advances	55,579	93,560
Contract assets	14,296	25,915
VAT receivables - net	36,028	27,080
Prepayments	6,956	16,643
Trade receivables	15,711	10,284
Other receivables	21,806	12,476
	150,376	185,958

11. Cash and cash equivalents

	31 December 2025 USD '000	31 December 2024 USD '000
Cash held by ADNOC Group Treasury Services (AGTS) (note 18)	235,610	329,816
Cash in bank	32	7
Cash on hand	374	465
	236,016	330,288

Cash held by AGTS are funds held on behalf of the Group and are available on demand and is in nature of cash and cash equivalents.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

12. Assets held for sale

	31 December 2025 USD '000	31 December 2024 USD '000
Balance at the beginning of the year	5,708	10,717
Transfer to property and equipment – net(note 5)	-	(10,717)
Transfer from property and equipment – net (note 5)	-	5,708
Disposal of assets held for sale	(5,708)	-
Net book value at end of the year	-	5,708

The Board of Directors, in their meeting held on 10 February 2023, approved to proceed with the sale of two rigs within the Offshore Jackup segment. In the prior year, the criteria of classifying these rigs as held for sale was no longer met due to management decision of the alternative use of these rigs hence these have been transferred to property and equipment (note 5) on lower of carrying amount before the asset was classified as held for sale and recoverable amount.

In the prior year, the Board of Directors, in their meeting held on 29 October 2024, approved to proceed with the sale of two new rigs within the Offshore Jackup segment. One rig was sold to a related party in the prior year, while the other rig was sold in the current year.

13. Share capital and statutory reserve

	31 December 2025		31 December 2024	
	Number of shares (‘000)	USD '000	Number of shares (‘000)	USD '000
Ordinary share capital of USD: 0.0272294 (AED: 0.10) each (2024 USD: 0.0272294 (AED: 0.10) each)	16,000,000	435,671	16,000,000	435,671

In accordance with the UAE Federal Decree Law (32) of 2021, as amended, and the Articles of Association of the Company, 10% of the profit is transferred to a non-distributable statutory reserve. Such transfer is required to be made until the reserve is equal to 50% of the paid-up share capital.

14. Share Premium and treasury shares

In the prior year, the Company appointed Al Ramz Capital a licensed Market Maker on the Abu Dhabi Securities Exchange (ADX) that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility.

The Market Maker trades and operates within the predetermined parameters approved by the Company. The Company has provided the funding to the Market Maker to trade the Company's shares and it carries all risks and rewards associated with the arrangement. Given the nature and substance of the arrangement, the shares have been classified as "Treasury Shares" in Equity.

At 31 December 2025, the Market Maker held 9,279 thousand shares (2024: 3,985 thousand) on behalf of the Company, which are classified under equity as treasury shares at the average purchase price amounting to USD 19,529 thousand (2024: USD 5,670 thousand). A cumulative net loss of USD 1,708 thousand (2024: gain of USD 504 thousand) has been recognised at 31 December 2025 as Share Premium under equity. During the year an advance of USD 13,615 thousand (2024: USD 13,615 thousand) was paid to the Market Maker.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

15. Borrowings

	31 December 2025 USD '000	31 December 2024 USD '000
Term loans*	2,269,039	2,294,750

*The amount is net of transaction cost.

	31 December 2025 USD '000	31 December 2024 USD '000
<i>Disclosed as follows:</i>		
Current	1,022,532	799,523
Non-current	1,246,507	1,495,227
	2,269,039	2,294,750

The borrowings presented in the consolidated statement of financial position consist of the following:

Type	Currency	Interest rate	Year of maturity	31 December 2025 USD '000	31 December 2024 USD '000
Term Loan (Facility B)	USD	0.8% and Term SOFR	October 2025	-	498,735
Term Loan (Facility C&D)	USD	0.95 % & Term SOFR	November 2027	869,039	1,796,015
Term Loan (Facility E&F)	USD	0.75 % & Term SOFR	October 2030	1,400,000	-
				2,269,039	2,294,750

On 24 October 2021, the Group entered into a syndicated Term loan and Revolving Facilities Agreement with multiple banks and financial institutions, for general corporate purpose and without limitation shall include payment of dividends, payments for products and services to develop integrated services abilities and the payment of transaction costs associated with the facilities which is as follows:

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

15. Borrowings (continued)

Term loan (Facility B)

	Facility A – Revolving Loan USD '000	Facility B – Term Loan USD '000
Abu Dhabi Commercial Bank PJSC (note 18)	165,000	110,000
First Abu Dhabi Bank PJSC (note 18)	165,000	110,000
Emirates NBD Bank PJSC	70,000	140,000
Bank of America Europe Designated Activity Company	60,000	40,000
China Construction bank – DIFC Branch	60,000	20,000
State Bank of India – DIFC Branch	60,000	40,000
Goldman Sachs Bank USA	50,000	-
The National Bank of Ras Al-Khaimah	30,000	-
Agricultural Bank of China	30,000	20,000
United Arab Bank P.J.S.C.	30,000	-
J.P. Morgan Securities PLC	15,000	-
Al Ahli Bank of Kuwait K.S.C.P. (Dubai Branch)	15,000	-
Banque MISR- Dubai Branch	-	20,000
	750,000	500,000

The facilities were for four (4) years from the date of the agreement. During the year this facility had expired and was fully settled.

Term loan (Facility C & D)

On 1 November 2023, the Group entered into a term loan facility of USD 1,500,000 thousand and Revolving Facility up to AED 1,840,000 thousand (USD: 501,021 thousand) with multiple banks and financial institutions with an initial maturity of 4 years. An amount of USD 1,500,000 thousand was drawn down from facility D. During the year, an amount of USD 750,000 thousand was settled earlier than the original maturity date for facility D. An amount of AED 450,000 thousand (USD: 122,532 thousand) was drawn down for facility C as of 31 December 2025.

	Facility C – Revolving Loan AED '000	Facility D – Term Loan USD '000
Abu Dhabi Commercial Bank PJSC (note 18)	690,000	100,000
First Abu Dhabi Bank PJSC (note 18)	550,000	100,000
Emirates NBD Bank PJSC	500,000	-
Arab Bank for Investment & Foreign Trade (Al Masraf)	100,000	50,000
The Saudi National Bank	-	125,000
Bank of China (Dubai) Branch	-	100,000
Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch	-	100,000
Gulf Bank K.S.C.P	-	75,000
The National Bank of Ras Al-Khaimah	-	70,000
Citibank N.A., ADGM Branch	-	20,000
JPMorgan Chase Bank, N.A., London Branch	-	10,000
	1,840,000	750,000

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

15. Borrowings (continued)

Term loan (Facility E & F)

On 16 October 2025, the Group entered into a Revolving Facility up to USD 1,500,000 thousand and term loan facility of USD 500,000 thousand with multiple banks and financial institutions with an initial maturity of 5 years. An amount of USD 900,000 thousand and USD 500,000 thousand was drawn down from facility E and F, respectively.

	Facility E – Revolving Loan USD '000	Facility F – Term Loan USD '000
Agricultural Bank of China (DIFC Branch)	200,000	100,000
China Construction bank – DIFC Branch	154,000	77,000
Mizuho Bank, Ltd.	149,630	370
China Minsheng Banking Corp., Ltd. Hong Kong Branch	134,000	66,000
Bank of China (Dubai) Branch	133,000	67,000
Industrial and Commercial Bank of China Limited, Dubai	133,000	67,000
Bank of America Europe DAC	100,000	-
Al Ahli Bank of Kuwait K.S.C.P.(Dubai Branch)	100,000	-
DBS Bank Ltd (DIFC Branch)	100,000	-
JPMorgan Chase Bank, N.A., London Branch	67,000	33,000
United Arab Bank P.J.S.C.	66,670	33,330
First Abu Dhabi Bank PJSC (note 18)	50,000	-
The Hongkong and Shanghai Banking Corporation Limited	50,000	25,000
China Construction Bank (Asia) Corporation Limited	46,000	23,000
Standard Chartered Bank (Taiwan) Limited	16,700	8,300
	1,500,000	500,000

The movement in borrowings is as follows:

	Balance at 1 January 2025 USD'000	Drawdown USD'000	Repayment USD'000	Others* USD'000	Balance at 31 December 2025 USD'000
Facility B	498,735	-	-	(498,735)	-
Facility C	299,523	449,285	(626,276)	-	122,532
Facility D	1,496,492	-	-	(749,985)	746,507
Facility E	-	150,000	-	750,000	900,000
Facility F	-	-	-	500,000	500,000
	2,294,750	599,285	(626,276)	1,280	2,269,039

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

15. Borrowings (continued)

	Balance at 1 January 2024	Drawdown	Repayment	Others*	Balance at 31 December 2024
	USD'000	USD'000	USD'000	USD'000	USD'000
Facility B	498,014	-	-	721	498,735
Facility C	-	821,817	(522,294)	-	299,523
Facility D	1,494,250	-	-	2,242	1,496,492
	1,992,264	821,817	(522,294)	2,963	2,294,750

*Others include Transaction cost and non-cash transaction.

16. Provision for employees' end of service benefits

The movement in the provision for employees' end of service benefit is as follows:

	31 December 2025 USD '000	31 December 2024 USD '000
Balance at beginning of the year	129,947	114,422
Charge during the year (note 22)	20,770	22,464
Paid during the year	(7,130)	(6,939)
Balance at end of the year	143,587	129,947
<i>Disclosed as follows:</i>		
Current	7,130	7,094
Non-current	136,457	122,853
	143,587	129,947

17. Trade and other payables

	31 December 2025 USD '000	31 December 2024 USD '000
Accrued expenses	722,683	834,824
Trade payables	237,296	203,511
Contract liabilities	84,019	140,719
Retention payables	56,968	49,050
Accrual for employees' benefits	8,601	8,690
Pension payable	4,414	3,440
Other payables	837	364
	1,114,818	1,240,598
<i>Disclosed as follows:</i>		
Current	1,039,419	1,175,749
Non-current	75,399	64,849
	1,114,818	1,240,598

The average credit period on purchases is 60 days (2024: 60 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

18. Related party balances and transactions

Related parties represent the shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties and the Government of the Emirate of Abu Dhabi and its related parties. Pricing policies and terms of these transactions are approved by the Group's management.

The Group's transaction with other entities owned or controlled, either directly or indirectly by the Government of Abu Dhabi, included in the consolidated statement of financial position are as follows:

	31 December 2025 USD '000	31 December 2024 USD '000
(a) Due from related parties	228,666	144,080
(b) Other balances due from related parties (i)	1,164,132	1,245,206
Less: expected credit loss allowance	(28,004)	(28,004)
	1,364,794	1,361,282
(a) Due from related parties		
ADNOC Offshore	205,872	132,570
Abu Dhabi National Oil Company (ADNOC)	12,166	11,143
ADNOC Onshore	5,580	-
Turnwell Industries L.L.C	4,898	-
Al Dhafrah JV	108	118
ADNOC Sour Gas	34	159
ADNOC Refining	8	90
	228,666	144,080

At 31 December 2025, the Group had a significant concentration of credit risk, with four of the customer representing 99.9% (2024: two of the customer representing 99.7%) of related parties receivables outstanding at that date.

Management is confident that this concentration of credit risk will not result in any loss to the Group considering the credit history of these customers and the fact that those balances are due from sister companies majority owned by ADNOC, which is wholly owned by the Government of Abu Dhabi.

As at 31 December, the ageing of related party balances was as follows:

	31 December 2025 USD '000	31 December 2024 USD '000
Not past due	204,415	137,341
Due from 31 to 60 days	1,005	1,309
Due from 61 to 90 days	1,477	3,345
Due from more than 91 days	21,769	2,085
	228,666	144,080

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

18. Related party balances and transactions (continued)

	31 December 2025 USD '000	31 December 2024 USD '000
(b) Other balances due from related parties (i)		
ADNOC Onshore	416,823	806,888
ADNOC Offshore	449,693	317,117
Abu Dhabi National Oil Company (ADNOC)	153,083	55,448
Turnwell Industries LLC	144,140	62,369
ADNOC Sour Gas	294	150
Al Dhafra JV	99	215
ADNOC Logistics & Services plc	-	3,000
ADNOC Gas	-	19
	1,164,132	1,245,206

(i) Other balances due from related parties represents revenue generated from providing drilling and oil field services but not yet billed. Billing will occur based on the terms of the contract. The contract assets primarily relate to the Group's rights to consideration for the drilling and oilfield services provided to the Group's clients but not billed at the reporting date.

The movement in allowance for expected credit loss during the year was as follows:

	31 December 2025 USD '000	31 December 2024 USD '000
Balance at beginning of the year	28,004	19,004
Charge during the year (note 20)	-	9,000
Balance at end of the year	28,004	28,004

	31 December 2025 USD '000	31 December 2024 USD '000
Due to related parties		
Turnwell Industries LLC	295,545	141,286
ADNOC Onshore	47,987	49,977
Abu Dhabi National Oil Company for Distribution PJSC	36,023	38,753
Abu Dhabi National Oil Company (ADNOC)	31,941	16,286
ADNOC Logistics & Services plc	4,575	4,548
	416,071	250,850

As of 31 December 2025, an amount of USD 11,000 thousand (31 December 2024: USD 15,000 thousand) of income tax is payable to the Department of Finance.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

18. Related party balances and transactions (continued)

The balances due to/from related parties are non-interest bearing and are payable/receivable on demand.

	31 December 2025 USD '000	31 December 2024 USD '000
Borrowings (note 15)		
First Abu Dhabi Bank PJSC	166,626	399,531
Abu Dhabi Commercial Bank PJSC	145,950	422,321
	312,576	821,852

	31 December 2025 USD '000	31 December 2024 USD '000
Cash and cash equivalents (note 11)		
ADNOC Group Treasury Services (AGTS)	235,610	329,816
First Abu Dhabi Bank PJSC	32	7
	235,642	329,823

Significant transactions with related parties during the year are as follows:

	31 December 2025 USD '000	31 December 2024 USD '000
Revenue		
ADNOC Onshore	2,821,672	2,208,623
ADNOC Offshore	1,721,441	1,559,294
Abu Dhabi National Oil Company (ADNOC)	185,527	152,039
Turnwell Industries LLC	153,024	52,069
Al Dhafrah JV	369	1,170
ADNOC Sour Gas	-	9,715
	4,882,033	3,982,910

	31 December 2025 USD '000	31 December 2024 USD '000
Purchases		
Turnwell Industries LLC	633,309	141,286
Abu Dhabi National Oil Company for Distribution PJSC	168,942	158,935
Abu Dhabi National Oil Company (ADNOC)	57,007	55,777
ADNOC Logistics & Services plc	7,411	14,997
ADNOC Sour Gas	2,798	-
	869,467	370,995

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

18. Related party balances and transactions (continued)

	31 December 2025 USD '000	31 December 2024 USD '000
Finance income		
ADNOC Group Treasury Services (AGTS)	11,005	11,608
Finance cost		
First Abu Dhabi Bank PJSC	16,596	2,599
Abu Dhabi Commercial Bank PJSC	15,380	5,277
	31,976	7,876
Investment in joint ventures		
Acquisition of investment in joint ventures	132,850	266,750
Share of profit from Joint ventures	29,000	8,490
Lease payments		
Abu Dhabi National Oil Company (ADNOC)	11,661	18,969
Sale of property and equipment		
Abu Dhabi National Oil Company (ADNOC)	36,000	-
ADNOC Logistics & Services plc	-	3,000
Recharges		
Turnwell Industries LLC	4,128	-
ENERSOL Limited	591	-
Key management compensation		
Compensation of key management personnel	7,309	6,518
Board of Directors members	7	7
Key management personnel	9	9

Advance for acquisition of a subsidiary is disclosed in note 31.

19. Revenue

The Group derives its revenue from providing drilling and oilfield services over time in the following major service lines:

	31 December 2025 USD '000	31 December 2024 USD '000
Drilling and oilfield services	4,835,636	3,981,574
Facilitation of rigs rental	67,250	52,648
	4,902,886	4,034,222

As at 31 December 2025, the Group has unsatisfied performance obligations amounting to USD 19,399 thousand (2024: to USD 75,872 thousand) that will be recognised as revenue during the next financial year. The amount disclosed above does not include variable consideration which is constrained.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

20. Direct cost

	31 December 2025 USD '000	31 December 2024 USD '000
Repairs and maintenance	904,937	382,224
Staff costs (note 22)	802,536	739,280
Depreciation of property and equipment (note 5)	493,064	416,262
Hire of equipment	303,652	222,875
Chemicals	254,535	198,200
Fuel and lubricants	170,776	160,233
Major maintenance charges	53,151	84,250
Expected credit loss charge (note 18)	-	9,000
Depreciation of right-of-use assets (note 6)	-	14,958
Other direct cost	123,312	110,125
	3,105,963	2,337,407

21. General and administrative expenses

	31 December 2025 USD '000	31 December 2024 USD '000
Staff costs (note 22)	68,850	58,230
Depreciation of property and equipment (note 5)	4,020	10,211
Depreciation of right-of-use assets (note 6)	11,042	13,477
Amortisation of intangible assets (note 7)	4,193	3,544
Other expenses*	79,092	69,896
	167,197	155,358

*Included in other expenses is auditors' remuneration amounting to USD 337 thousand (2024: USD 308 thousand) for audit services and USD 82 thousand (2024: USD 59 thousand) for non-audit services.

The Group has not made any social contribution during the financial year ended 31 December 2025 (2024: Nil).

22. Staff cost

	31 December 2025 USD '000	31 December 2024 USD '000
Salaries and allowances	643,064	603,398
End of service benefits (note 16)	20,770	22,464
Pension	24,062	22,240
Other employees' benefits	183,490	149,408
	871,386	797,510

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

23. Finance cost

	31 December 2025 USD '000	31 December 2024 USD '000
Finance costs on interest bearing loans	108,839	128,215
Interest on lease liabilities	624	7,780
	109,463	135,995

24. Dividends

For the year ended 31 December 2024

The Board of Directors, in their meeting held on 12 February 2024, proposed a final cash dividend of AED 8.2244 fils per share amounting to USD 358,310 thousand for the year ended 31 December 2023 which was approved by shareholders at the Annual General Meeting held on 13 March 2024. The dividend was paid during the prior year.

On 2 August 2024, the Board of Directors approved an interim cash dividend of AED 9.0468 fils amounting to USD 394,142 thousand for the first half of 2024. The dividend was paid during the prior year.

For the year ended 31 December 2025

The Board of Directors, in their meeting held on 12 February 2025, proposed a final cash dividend of AED 9.0468 fils per share amounting to USD 394,011 thousand for the year ended 31 December 2024 which was approved by shareholders at the Annual General Meeting held on 17 March 2025. The dividend was paid during the current year.

The Board of Directors, in their meeting held on 7 May 2025, approved a quarterly cash dividend of AED 4.976 fils per share amounting to USD 216,778 thousand. The dividend was paid during the current year.

The Board of Directors, in their meeting held on 29 July 2025, approved a quarterly cash dividend of AED 4.976 fils per share amounting to a total of USD 216,778 thousand. The dividend was paid during the current year.

The Board of Directors, in their meeting held on 8 October 2025, approved a special cash dividend of AED 1.5149 fils per share amounting to a total of USD 66,000 thousand. The dividend was paid during the current year.

The Board of Directors, in their meeting held on 27 October 2025, approved a quarterly cash dividend of AED 5.7383 fils per share amounting to a total of USD 250,000 thousand. The dividend was paid during the current year.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25. Commitments and contingencies

The Group has the following outstanding commitments and contingent liabilities:

	31 December 2025 USD '000	31 December 2024 USD '000
Capital commitments – rigs procurement	86,985	77,790
Commitment for investment in Joint venture	403,941	517,541
Bank guarantees	4,791	47

The above commitments and bank guarantees were issued in the normal course of business. Capital commitments relate to ongoing and proposed projects towards procurement of rigs, cementing, wireline, drilling system, coil tubing and other major projects across all operating segments.

26. Financial Instruments by category

	31 December 2025 USD '000	31 December 2024 USD '000
Financial assets		
Trade and other receivables*	73,545	49,840
Due from related parties	228,666	144,080
Cash and cash equivalents	236,016	330,288
	538,227	524,208
Financial liabilities		
Borrowings	2,269,039	2,294,750
Trade and other payables**	1,030,799	1,099,879
Due to related parties	416,071	250,850
Lease liabilities	47,581	25,157
	3,763,490	3,670,636

* Trade and other receivables exclude advances, contract assets and prepayments

** Trade and other payables exclude contract liabilities

27. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

27. Financial instruments (continued)

Financial risk management (continued)

Market risk management

Foreign exchange risk

Foreign exchange risk is limited as the Group's transactions are principally in UAE Dirhams or US Dollars. As the UAE Dirham is pegged to the US Dollar, balances in AED are not considered to represent significant currency risk.

Price risk

The Group has no significant direct exposure to commodity price risk. Reduction in oil prices may lead to reduction in the level of future drilling services procured by customers who have significant exposure to oil and gas prices.

Fair value interest rate risk

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit.

	Effect on profit USD'000
2025	
+10 increase in basis points	(2,269)
-10 increase in basis points	2,269
2024	
+10 increase in basis points	(2,295)
-10 increase in basis points	2,295

The fair values of the Group's financial instruments are not materially different from their carrying amounts.

Credit risk management

Credit risk arises from balances with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

The Group's policy is to place cash and cash equivalents with reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 10.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

27. Financial instruments (continued)

Financial risk management (continued)

Liquidity risk management (continued)

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2025 and 2024 based on the contractual undiscounted payments.

	Notes	Carrying value USD'000	Contractual cash flows USD'000	1 year or less USD'000	More than 1 year USD'000
31 December 2025					
Lease liabilities	6	47,581	49,823	11,726	38,097
Borrowings	15	2,269,039	2,272,532	1,022,532	1,250,000
Trade and other payables	17	1,030,799	1,030,799	1,030,799	-
Due to related parties	18	416,071	416,071	416,071	-
		3,763,490	3,769,225	2,481,128	1,288,097
31 December 2024					
Lease liabilities	6	25,157	26,872	13,163	13,709
Borrowings	15	2,294,750	2,299,523	799,523	1,500,000
Trade and other payables	17	1,099,879	1,099,879	1,099,879	-
Due to related parties	18	250,850	250,850	250,850	-
		3,670,636	3,677,124	2,163,415	1,513,709

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policies are based on management's assessment of available options, in conjunction with the shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

28. Segment reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive Officer, as the Chief Operating Decision Maker (CODM), in order to allocate resources to the segment and to assess its performance. Information reported to the Chief Executive Officer for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segment and property and equipment only. No information that includes the segments' assets (excluding property and equipment) and liabilities are reported to the Chief Executive Officer.

For management purpose the Group is organised into four operating segments, all of which are referred to as 'business units':

Onshore segment is the largest segment with land rigs, water wells, work over rigs deployed mainly across ADNOC Onshore with a few rigs also assigned to other concessions within the ADNOC group.

Offshore with owned jackups and some rentals predominantly meeting the ADNOC Offshore drilling needs with a few rigs also assigned to other concessions within the ADNOC group. It also includes the Island rigs as part of ADNOC Offshore's requirements.

During the year, management have reassessed the operating segments and thereby have combined the offshore jackup and Island segment into offshore segment as these are reviewed on combined basis by CODM.

Oilfield Services (OFS) segment was created to provide oil field services through the partnership with Baker Hughes in late 2018.

The Group operates primarily in United Arab Emirates and accordingly no further geographical analysis of revenue, profit, assets and liabilities has been provided.

The revenue reported represents revenue generated from external customers only. There were no inter-segment sales in current or previous year.

Earnings before interest, tax, depreciation and amortisation "EBITDA" is the measure of the profitability being reviewed by the CODM which is the profit for the year before finance cost, net (both of which are as presented in consolidated statement of profit or loss and other comprehensive income) depreciation, amortisation and impairment.

Refer to note 18 for analysis of revenue from major customers.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

28. Segment reporting (continued)

31 December 2025	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
Revenue	2,037,025	1,403,893	1,461,968	4,902,886
Direct cost (excluding depreciation and impairment)	(992,889)	(393,646)	(1,226,364)	(2,612,899)
Gross profit (excluding depreciation and impairment)	1,044,136	1,010,247	235,604	2,289,987
General and administrative expenses (excluding depreciation & amortisation)	(74,836)	(61,248)	(11,858)	(147,942)
Share of profit	3,000	-	26,000	29,000
Other income, net	22,177	3,524	1,290	26,991
EBITDA	994,477	952,523	251,036	2,198,036

EBITDA is reconciled to profit before for the year as follows:

31 December 2025	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
EBITDA	994,477	952,523	251,036	2,198,036
Depreciation included in direct cost	(150,611)	(257,451)	(85,002)	(493,064)
Depreciation & amortisation included in general and administrative expenses	(9,418)	(8,383)	(1,454)	(19,255)
Total depreciation & amortisation	(160,029)	(265,834)	(86,456)	(512,319)
Finance cost, net	(54,075)	(41,840)	(1,922)	(97,837)
Profit before tax for the year	780,373	644,849	162,658	1,587,880

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

28. Segment reporting (continued)

31 December 2024	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
Revenue	1,892,670	1,328,436	813,116	4,034,222
Direct cost (excluding depreciation and impairment)	(894,919)	(388,001)	(623,287)	(1,906,207)
Gross profit (excluding depreciation and impairment)	997,751	940,435	189,829	2,128,015
General and administrative expenses (excluding depreciation & amortisation)	(75,339)	(47,283)	(5,484)	(128,106)
Share of profit	1,100	-	7,390	8,490
Other income, net	3,714	2,838	(164)	6,388
EBITDA	927,226	895,990	191,571	2,014,787

EBITDA is reconciled to profit for the year as follows:

31 December 2024	Onshore USD'000	Offshore USD'000	OFS USD'000	Total USD'000
EBITDA	927,226	895,990	191,571	2,014,787
Depreciation included in direct cost	(128,994)	(234,133)	(68,093)	(431,220)
Depreciation & amortisation included in general and administrative expenses	(15,507)	(10,454)	(1,271)	(27,232)
Total depreciation & amortisation	(144,501)	(244,587)	(69,364)	(458,452)
Finance cost, net	(71,365)	(50,393)	(2,501)	(124,259)
Profit before tax for the year	711,360	601,010	119,706	1,432,076

*Excludes depreciation, amortisation and impairment.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

28. Segment reporting (continued)

The following table represents segment assets for the Group's operating segments as reviewed by CODM:

	Onshore USD '000	Offshore USD '000	OFS USD '000	Total USD '000
31 December 2025				
Property and equipment	1,334,355	3,205,276	937,527	5,477,158
31 December 2024				
Property and equipment	1,442,018	3,055,703	854,953	5,352,674

29. Basic and diluted earnings per share

Earnings per share (EPS) amounts are calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of shares outstanding during the year.

	31 December 2025	31 December 2024
Profit attributable to shareholders of the Group (USD'000)	1,448,781	1,303,566
Weighted average number of shares for the purpose of basic earnings per share (000) (refer to below)	15,966,777	15,998,530
Earnings per share (USD'000)	0.091	0.081

The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares (note 14) during the year.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

30. Income tax

The Group is subject to income tax at 9% on its taxable profits in accordance with the fiscal arrangement (the "Fiscal Arrangement") with Abu Dhabi Supreme Council for Financial and Economic Affairs effective 1 January 2024.

	31 December 2025 USD'000	31 December 2024 USD'000
Current income tax expense	138,930	129,907
Deferred tax credit	169	(1,397)
	139,099	128,510

Recognized deferred taxes of the Group relate to the tax effects of the following:

	31 December 2025 USD'000	31 December 2024 USD'000
Net temporary differences arising from carrying values of		
- provision for employees end of service benefits	13,640	15,525

The charge for the year can be reconciled to the profit before tax as follows:

	31 December 2025 USD'000	31 December 2024 USD'000
Profit before tax	1,587,880	1,432,076
- Applicable tax charge at statutory rates (9%)	142,909	128,887
- Tax effect of share of results of equity accounted investee	(2,610)	(764)
- Impact of permanent difference	(1,369)	1,785
Current tax reported in the consolidated statement of profit or loss	138,930	129,907

The current tax charge includes the impact of taxes from its foreign operations as per laws and regulations of the respective jurisdiction. The Organisation of Economic Cooperation and Development (OECD) has published GloBE Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. Based on the assessment performed, the Group exceeds the minimum 15% tax rate jurisdiction requirement and thereby no top up tax is required for the fiscal year.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31. Advance for acquisition of a subsidiary

“On 24 July 2025, SLDC HOLDING RSC LTD “SLDC” was incorporated in Abu Dhabi Global Market (“ADGM”) as a Restricted Scope Company. The Company, through its subsidiary ADH RSC Ltd holds 100% shares in the entity.

On 31 December 2025, the Group paid cash consideration USD 90,926 thousand for acquisition of 70% stakes in SLDC which after acquisition holds 100% stakes in Sea and Land Drilling, Contractors, Inc which operates land drilling rigs in Kuwait and Oman, comprising eight fully operational land rigs under contract with the respective national oil companies (NOCs) of both countries.

32. Subsequent events

Subsequent to the year end, SLDC completed acquisition of 100% stakes in Sea and Land Drilling, Contractors, Inc. The Company, through its subsidiary ADH RSC Ltd, now holds 70% stakes in SLDC while 30% stakes are owned by Schlumberger Oilfield Eastern limited (SLB).

The Board of Directors, in their meeting held on 11 February 2026, approved a quarterly cash dividend of AED 5.7383 fils per share amounting to a total of USD 250,000 thousand. The proposed dividend is subject to approval of the shareholders at the Annual General Meeting.

33. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 11 February 2026.