

ABRAJ Energy Services Starts 2026 on a Strong Footing with Improved Margins, Higher Rig Utilization, and Record Backlog

Improved EBITDA and Net Income margins compared to the previous quarter

Highest rig utilization rate in the last 12 months

All time high backlog of OMR 898 million

Capex expansion plan with new build rigs on track

No material impact of current geopolitical situation on ABRAJ’s business

Muscat, Oman – 29 April 2026 – ABRAJ Energy Services SAOG (“ABRAJ” or the “Company”) (MSX: ABRJ), Oman national champion for integrated energy services, announced today its financial results for the first quarter of 2026 (“Q1’26”).

Financials Highlights

Q1’26 Revenue of 36 million Omani Riyal (“OMR”) was -6% compared to last quarter of 2025 (“Q4’25”). The decrease quarter-on-quarter (“QoQ”) was essentially due to overall lower rig move and frac activities. Compared to Q4’25, two rigs were out of operations, one rig moving to a new client and the other one under planned major maintenance. These revenue downsides were partially offset by the start-up late January of one rig that was inactive in Q4’25, as well as another rig which started in November 2025, with full revenue contribution in Q1’26.

Q1’26 EBITDA and Net Income margin profile improved QoQ with a margin of 33.3% and 12.4%, respectively, of the revenue. EBITDA margin remained within the communicated guidance and the Profit after Tax (“PAT”) increased from OMR 3.7 million in Q4’25 to OMR 4.5 million in Q1’26, representing a 20% upside QoQ. The PAT increase is mainly coming from reduced operating expenses, as well as a one-off impairment charge recognized in Q4’25.

Q1’26 CAPEX spending was OMR 10.6 million attributed to the ongoing fleet expansion, mainly related to the seven new built rigs with Petroleum Development Oman (“PDO”). The first two PDO rigs are expected to be deployed by the end of the third quarter of 2026. The additional batch of four rigs will be delivered in the course of 2027 and the last rig in early 2028.

Q1’26 Net Debt of OMR 110 million has increased by +16% QoQ as additional bank loans were drawn up during the quarter to finance the ongoing fleet expansion efforts. In the short-term, Net Debt is expected to continue increasing as the Company is nearing the peak of the Capex cycle.

Key Financial Metrics

OMR millions	Q1’26	Q4’25	QoQ (%)	YTD’26	YTD’25	YoY (%)
Revenue	36.0	38.4	-6%	36.0	36.8	-2.1%
EBITDA	12.0	12.1	-1%	12.0	12.5	-4%
EBITDA Margin	33.3%	31.6%	1.6pp	33.3%	34.0%	(0.7pp)
Operating Profit (EBIT)	6.7	5.9	14%	6.7	7.1	-5%
Profit after Tax	4.5	3.7	20%	4.5	4.9	-9.1%

<i>Net Income Margin</i>	<i>12.4%</i>	<i>9.7%</i>	<i>2.7pp</i>	<i>12.4%</i>	<i>13.3%</i>	<i>(0.9pp)</i>
EPS (Baisa)	5.79	4.81	20%	5.79	6.37	-9%
Capital Expenditures	10.6	3.8	177%	10.6	2.4	341%
Cash Flow from Operations (excl. WC)	12.1	12.0	1%	12.1	12.7	-5%
Net Debt	110.4	95.2	16%	110.4	95.2	16%
ROCE	11.4%	11.8%	(0.4pp)	11.4%	11.2%	0.2pp
Net Debt / TTM EBITDA	2.26x	1.93x	0.33x	2.26x	2.09x	0.17x

Rig Activity & Contract Highlights

Rig utilization rate increased to 88.9% by the end of Q1’26 with 24 of our rigs active out of a total fleet of 27 units. This reflects a steady, gradual recovery from the average of 2025 of 85.5%. Out of the three rigs currently non-active, one rig just started operations with PDO, one rig is on the final stage of Client acceptance with Wafra Joint Operations (“**WJO**”) in Kuwait and the third rig is being commissioned to be deployed as a gap filler with PDO and will start drilling in the third quarter of 2026. Consequently, we expect the utilization rate to continue improving throughout the year.

Backlog position reached all-time high of OMR 898 million and was up by OMR 18 million (or +2%) QoQ. The backlog variance of OMR +18 million is coming from OMR 54 million of net backlog addition less OMR 36 million if revenue recognized during the quarter. The net backlog addition results from two awards announced in Q1’26, namely: PDO award of four existing rigs (approx. OMR 120 million), as well as OQEP award for cementing services (approx. OMR 13 million), less option periods that were already included in Q4’25 backlog that have now shifted from option to firm periods, as part Q1’26 awards. The current backlog position includes 86% of firm commitments and 14% of options.

As of 31st March 2026, the remaining average contract tenure (firm commitment) was 3.8 years per rig, providing strong visibility on ABRAJ’s top-line delivery. The ratio of backlog to trailing 12-month revenue (“**book-to-bill ratio**”) exceeded 6x multiple.

Short-term guidance

For the second quarter of 2026, revenue is expected to reflect a slight upside – a few percentage points - compared to Q1’26, due to higher rig activity. The full year revenue and EBITDA guidance remains the same, ranging from OMR 145 to 155 million and within low to mid 30s percentage of the revenue, respectively.

Eng. Saif Al Hamhami, Chief Executive Officer of ABRAJ, commented on Q1’26 results: *“The first quarter reflects a strong start to 2026 for ABRAJ. While revenue was lower in the period, disciplined execution enabled meaningful margin improvement, underscoring the resilience of our operating model in a dynamic market environment. We remain focused on driving efficiency through impactful cost-optimization measures and progressing our strategic fleet expansion.”*

Hubert Lafeuille, Chief Financial Officer of ABRAJ, further commented: *“We are entering a critical phase of our growth strategy, where disciplined, targeted investments are expected to enhance our earnings profile. As we are nearing the peak of our capex cycle, maintaining tight control over our liquidity remains a priority. We are also looking at ways to optimize our capital structure so we can keep certain flexibility in our balance sheet and give us head room to pursue selective growth opportunities.”*

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About ABRAJ Energy Services:

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

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

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