الشركة العملية للطاقة (ش.م.ك.م)
Action Energy Company (K.S.C.C)

KUWAITI ENERGY, GLOBAL STANDARDS.

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Action Energy Company announces debut financial results following successful listing on Boursa Kuwait, with solid FY25 performance, driven by doubling of the fleet and mobilization of 10 new workover rigs

Safat, Kuwait, 16 March 2026: Action Energy Company K.S.C.C. (AEC), (Ticker: ALFTAQA), a leading provider of onshore drilling and oilfield services in Kuwait, has announced its financial results for the year ending 31 December 2025 ("FY25"), recording robust growth in both revenues and net profit. Top line growth came in at 53% year-on-year (YoY), supported by the doubling of the fleet, mobilization of 10 new workover rigs and expansion into high-margin oilfield services (OFS). For 4Q25, revenue grew 70% YoY to KWD 9.2 million, while net profit increased nearly three-fold to KWD 1.7 million.

FY25 Highlights

- Revenue: KWD 31.9 million, + 53% YoY
- EBITDA: KWD 16.4 million, +57% YoY
- Net Profit: KWD 5.7 million, + 202% YoY
- Net cash flow from Operations: KWD 10.9 million, +23% YoY
- Return on Equity (ROE): 6.8% vs. 4.8% in FY24

Management Commentary

Ahmed Al-Ajlan, CEO of Action Energy Company (AEC), commented, "2025 marks an important milestone in our journey of accomplishments at Action Energy. We delivered one of our strongest financial and operational performance to date, with revenue rising 53% to KWD 31.9 million and net profit more than tripling to KWD 5.7 million. This reflects the resilience of our business model, the reliability of our modern fleet, and the disciplined execution that has become characteristic of AEC.

Our fleet continued to achieve high levels of productivity, with non-productive time remaining well below 1%, and we continued to strengthen our operational and safety performance across every rig. At the same time, we expanded into higher-margin oilfield services, positioning AEC to capture a larger share of Kuwait's long-term energy development cycle.

With a robust KWD 321 million backlog as of 31 December 2025, a substantially stronger balance sheet, and expansion into oilfield services, we are entering 2026 with strong visibility and momentum. Our priority is to continue scaling our operations, accelerating our service diversification, and reinforcing the foundation for sustained shareholder value creation."

Key Highlights

- The successful listing on the Premier Market of Boursa Kuwait marks a significant milestone in the company's journey.
- In line with its strategic growth strategy, AEC has doubled its fleet size from 10 to 20 rigs, in addition to securing seven new rig contracts (750 HP, 1000 HP and 1,500 HP).
- The Company has already achieved pre-qualifications and secured awards in areas such as electric submersible pumps, slickline, inspection and once-through steam generator services (OTSG), supporting the diversification of the revenue streams.

- Revenue increased 53% YoY to KWD 31.9 million (FY24: KWD 20.8 million), reflecting the doubling of the fleet size, deployment of 10 new workover rigs and expansion into specialized high-margin OFS.
- Gross profit rose 72% YoY to KWD 13.8 million (FY24: KWD 8.0 million), more than offsetting the rise in cost of revenue. The company continues to focus on disciplined cost management and operational efficiencies, despite the expansion in fleet, which has also supported the growth in EBITDA from KWD 10.4 million in FY24 to KWD 16.4 million in FY25 (+ 57%YoY). This is in addition to an increasing focus on backward integration with the recent acquisition of 60% of Target NDT, a leading national inspection company. Gross margin continued its rising trend, reaching 43% (FY24: 39%), while EBITDA Margin reached 51% (FY24: 50%). With AEC's expansion into specialized high-margin oil field services (OFS), margins are expected to continue to be strong in the long-term.
- This resulted in the bottom line expanding more than threefold to KWD 5.7 million from KWD 1.9 million in FY24.
- Total borrowings increased from KWD 68.3 million to KWD 74.8 million (+10% YoY), primarily to fund the manufacturing of drilling rigs. Nonetheless, there was a simultaneous improvement in cash balances, reaching KWD 27.8 million, supported by the capital increase and proceeds from the listing on Boursa Kuwait. This has resulted in an 18% YoY decline in net debt in FY25.
- Capex decreased from KWD 25.4 million in FY24 to KWD 14.4 million in FY25, driven by the completion of the 10 new rigs.

Key Financial Metrics

KWD mn	2024	2025	% Change	4Q24	4Q25	% Change
Revenue	20.8	31.9	53%	5.4	9.2	70%
EBITDA	10.4	16.4	57.4%	2.7	4.6	68.0%
EBITDA Margin (%)	*50.0%*	*51.3%*	*1.3%*	*50.6%*	*49.9%*	*-0.7%*
Net Profit	1.9	5.7	202%	0.6	1.7	173%
Net Profit Margin (%)	*9.1%*	*18.0%*	*8.9%*	*11.8%*	*18.9%*	*7.1%*
Capex - investment	25.4	14.4	-43%			
Net cashflow from operations	8.9	10.9	23%			
Total Debt	68.3	74.8	10%			
Cash and cash equivalents	10.6	27.8	161%			
Net Debt	57.7	47.0	-18%			
Equity attributable to the equity holders of the Parent Company	39.8	83.8	110%			
Net Debt to Equity *	1.0	0.6	-42%			
ROE	*4.8%*	*6.8%*	*2%*			

* Net debt to equity is calculated included convertible preference share as part of equity in 2024

Revenue Performance

Total revenue increased 53% to KWD 31.9 million from KWD 20.8 million in FY24, reflecting the doubling of the company's fleet size and mobilization of 10 new workover rigs. The company continues to leverage its solid and growing relationship with Kuwait Oil Company (KOC), which has supported the evolution of the backlog from KWD 63.3 million in FY20 to KWD 321 million in FY25. AEC's revenue visibility remains strong with multi-year fixed-rate contracts, in addition to recently securing the bid for seven new rig contracts (750 HP, 1000 HP and 1,500 HP). Furthermore, a key catalyst for the top line performance in the long term is related to KOC's plans to increase national production capacity to 4 million barrels per day by FY35, thus translating into sustained expansion in drilling activities across the country.

EBITDA and Margin Performance

General and administrative expenses increased 38% YoY to KWD 2.0 million (FY24: KWD 1.5 million), primarily due to an increase in staff costs, as AEC continues to strengthen its resourcing capabilities to support a larger operating base. Despite that, EBITDA continued its rising trend from KWD 10.4 million in FY24 to KWD 16.4 million in FY25 (+ 57% YoY).

AEC operates a young fleet of modern onshore rigs, thus supporting lower maintenance costs and resulting in competitive day rates and solid margins. Additionally, the increasing focus on backward integration with the acquisition of 60% of Target NDT, a leading national inspection company, reinforces AEC's profitability, along with the expansion into specialized high-margin oil field services (OFS).

Net Profit

Finance charges increased to KD 3.8 million (FY24: KD 2.9 million), in line with higher average borrowings during the year, while other income increased 20% from KWD 218 thousand KWD 261 thousand.

Nevertheless, the robust operational performance during the period trickled down to the bottom line, resulting in Net Profit more than tripling to KWD 5.7 million from KWD 1.9 million in FY24.

Balance Sheet and Capital Structure

Assets

Total assets increased to KWD 166.3 million (FY24: KWD 136.5 million). The uplift was led by non-current assets which increased 9% YoY to KWD 126.6 million (FY24: KWD 116.1 million), which is consistent with the expansion of the fleet size.

In addition, current assets increased 95% YoY to KWD 39.7 million in FY25 from KWD 20.4 million, which is primarily attributable to the growth in cash and cash equivalents. The company ended the year with KWD 27.7 million in cash balances, reflecting an increase of 161% YoY, as a result of the capital increase and IPO proceeds. This provides a solid foundation to fund fleet and service line expansion, while maintaining balance sheet resilience and supporting sustainable shareholder returns.

Equity

Total equity increased to KWD 84 million (FY24: KWD 39.8 million), reflecting the significant capital increase to KWD 56.7 million (FY24: KWD 20 million) and share premium of KWD 19.8 million, arising from the conversion of the preference share and the primary proceeds from the successful listing on Boursa Kuwait.

Liabilities

Total liabilities decreased 15% YoY to KWD 82.3 million (FY24: KWD 96.7 million), with current liabilities witnessing a 43% decline YoY from KWD 14.8 million to KWD 8.4 million, essentially due to a significant 64% decline in short term bank borrowings to KWD 2.6 million, as KWD 7.5 million were repaid during the year. Non-current liabilities stood at KWD 73.9 million (FY24: KWD 81.9 million), reflecting a 10% YoY decline and including bank borrowings of KWD 35.6 million and Murabaha financing of KWD 36.2 million, to support the expansion of the backlog.

Financial Statements

Income Statement

KWD mn	FY25	FY24
Revenue	31.84	20.74
Rental income	0.06	0.07
Cost of revenue	-18.08	-12.77
Gross profit	**13.82**	**8.04**
General and administrative expenses	-2.04	-1.48
Finance charges	-3.82	-2.94
Interest on convertible preference shares	-2.15	-1.92
Amortization of intangible asset	-0.04	0.00
Interest on lease liability	-0.01	0.00
Valuation loss on investment properties	-0.17	0.00
Other income	0.26	0.23
Profit before tax	**5.85**	**1.93**
Zakat	-0.06	-0.01
KFAS	-0.05	-0.02
NLST	-0.01	0.00
Net profit	**5.73**	**1.90**
Attributable to:		
Equity holders of the Parent Company	5.71	1.90
Non-Controlling Interests	0.02	0.00

Balance Sheet

KWD mn	31-Dec-25	31-Dec-24
Property, plant and equipment	124.95	114.99
Intangible Asset	0.51	0.00
Investment Properties	0.98	1.15
Right-of-use assets	0.17	0.00
Total non-current assets	**126.61**	**116.14**
Inventories	1.17	0.81
Account receivables and prepayments	10.50	8.95
Amount due from a related party	0.28	0.00
Bank balances and cash	27.75	10.61
Total current assets	**39.70**	**20.37**
Total assets	**166.31**	**136.51**
Equity and Liabilities		
Equity		
Capital	56.65	20.00
Share Premium	19.83	0.00
Statutory reserve	1.62	1.03
Retained earnings	5.68	18.80
Total Equity	**83.78**	**39.83**
Equity attributable to the equity holders of the Parent Company	**83.78**	**39.83**
Non-controlling interest	0.24	0.00
Total Equity	**84.02**	**39.83**
Non-current liabilities		
Bank borrowings	35.59	61.21
Murabaha financing	36.18	0.00
Convertible preference shares classified as finance liabilities	0.00	19.25
Lease Liability - Non current	0.09	0.00
Contract Liabilities - Non Current	1.01	0.74
Employees' end of service benefits	1.06	0.72
Total Non-Current Liabilities	**73.93**	**81.93**
Bank borrowings	2.57	7.04
Murabaha financing	0.52	0.00
Lease Liability - Current	0.08	0.00
Account payables and accruals	4.74	7.39
Contract Liabilities - Current	0.46	0.29
Amount due to related parties	0.00	0.03
Total Current Liabilities	**8.37**	**14.75**
Total liabilities	**82.29**	**96.68**
TOTAL EQUITY AND LIABILITIES	**166.31**	**136.51**

Cash Flow Statement

KWD mn	FY25	FY24
OPERATING ACTIVITIES		
Profit before tax	5.85	1.93
Non-cash adjustments to reconcile profit before tax for the year to net cash flows:		
Depreciation of property, plant and equipment	4.44	3.50
Service charges – consumption of prepaid drilling rights	0.11	0.11
Provision for employees end of service benefits	0.37	0.21
Interest income	-0.23	-0.20
Finance costs on debt and borrowings	3.82	2.94
Interest and amortization charge on convertible preference shares	2.15	1.92
Loss on revaluation of investment properties	0.17	0.00
Amortization of intangible asset	0.04	0.00
Depreciation on right-of-use assets	0.08	0.00
Interest on lease liabilities	0.01	0.00
Operating profit before working capital changes	**16.81**	**10.41**
Working capital adjustments:		
Trade receivables, prepayments and other receivables	-3.19	-1.11
Inventories	-0.36	-0.25
Contract liabilities	0.43	-0.29
Trade and other payables	-2.71	0.27
Cash flows from operations	**10.99**	**9.04**
Employees' end of service benefits paid	-0.01	-0.03
Taxes paid	-0.06	-0.10
Net cash flow from operating activities	**10.92**	**8.90**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-14.40	-25.40
Net movement in term deposits with original maturity over three months	-2.70	-4.45
Interest income received	0.21	0.06
Acquisition of a subsidiary, net of cash acquired	-0.33	0.00
Movement in escrow accounts	-0.88	-0.36
Net cash flows used in investing activities	**-18.10**	**-30.15**
FINANCING ACTIVITIES		
Net amount in related party balances	-0.31	-0.05
Proceeds from bank borrowings	12.55	20.45
Repayment of bank borrowings	-42.65	-6.76
Proceeds from payable under Islamic finance	36.69	0.00
Finance cost paid	-4.75	-3.81
Proceeds from issue of shares through initial public offering	20.03	0.00
Share issuance cost	-0.74	0.00
Payment of lease liabilities	-0.09	0.00
Proceeds from issue of convertible preference shares	0.00	17.04
Net cash flow from financing activities	**20.74**	**26.86**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**13.56**	**5.61**
Cash and cash equivalents as at 1 January	5.72	0.11
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	**19.28**	**5.72**

About the Company

Action Energy Company K.S.C.C. (AEC), founded in 2015, is a leading provider of onshore drilling and oilfield services in Kuwait, holding a 10% share of the contracted rig market. The Company operates 20 modern drilling rigs with an average fleet age of 2.1 years, supported by long-term contracts primarily with Kuwait Oil Company (KOC). In addition, AEC has built one of the largest workover fleets in Kuwait, sustaining well productivity and enabling full life-cycle field support. The Company is also expanding into high-margin oilfield services, including slickline and electrical submersible pump (ESP) operations.

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