

**ACTION ENERGY COMPANY K.S.C (PUBLIC)  
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**31 MARCH 2026**



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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ACTION ENERGY COMPANY K.S.C.P.**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Action Energy Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity, and interim condensed consolidated statement of cash flows for the three-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of the interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

### ***Scope of Review***

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

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

### ***Other Matter***

The comparative interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and related notes for the three-month period ended 31 March 2025 and interim condensed consolidated statement of financial position as at 31 March 2025, were not audited, reviewed or compiled by us and accordingly, we do not express a conclusion, opinion or any form of assurance on them.

### **Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association have occurred during the three-month period ended 31 March 2026 that might have had a material effect on the business of the Parent Company or on its financial position.



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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ACTION ENERGY COMPANY K.S.C.P. (continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority (“CMA”) and organisation of security activity and its executive regulations, as amended, during the three-month period ended 31 March 2026 that might have had a material effect on the business of the Parent Company or on its financial position.

A handwritten signature in blue ink, appearing to be 'BADER A. AL-ABDULJADER', written over a horizontal line.

BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

13 May 2026  
Kuwait

Action Energy Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-month period ended 31 March 2026

	Notes	Three months ended 31 March	
		2026 KD	2025* KD
Revenue from contracts with customers	3	9,050,053	5,335,083
Rental income		10,000	18,000
Revenue		9,060,053	5,353,083
Cost of revenue	4	(5,284,940)	(3,031,409)
<b>GROSS PROFIT</b>		<b>3,775,113</b>	<b>2,321,674</b>
General and administrative expenses	5	(601,832)	(319,223)
<b>Operating profit</b>		<b>3,173,281</b>	<b>2,002,451</b>
Finance costs on loans and borrowings		(964,316)	(687,619)
Interest and amortisation charge on convertible preference shares		-	(447,399)
Amortisation of intangible asset		(13,750)	-
Unrealised loss on financial assets at fair value through profit or loss		(12,036)	-
Interest expense on lease liabilities		(2,253)	-
Other income		165,540	45,562
<b>PROFIT BEFORE TAX</b>		<b>2,346,466</b>	<b>912,995</b>
Contribution to Kuwait Foundation for Advancement of Sciences (“KFAS”)		(21,302)	(7,660)
Zakat		(24,609)	(8,511)
National Labour Support Tax (“NLST”)		(58,662)	-
<b>PROFIT FOR THE PERIOD</b>		<b>2,241,893</b>	<b>896,824</b>
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,241,893</b>	<b>896,824</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		2,250,979	896,824
Non-controlling interests		(9,086)	-
		<b>2,241,893</b>	<b>896,824</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (EPS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	6	<b>3.97 Fils</b>	<b>2.39 Fils</b>

★ The interim condensed consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2025 is neither reviewed nor audited.

The attached notes 1 to 20 form part of this interim condensed consolidated financial information.

# Action Energy Company K.S.C.P. and its Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2026

	Notes	31 March 2026 KD	(Audited) 31 December 2025 KD	31 March 2025* KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7	129,128,041	124,952,802	125,108,413
Intangible asset		495,000	508,750	-
Investment properties		978,000	978,000	1,147,334
Right-of-use assets		145,271	166,025	-
		<b>130,746,312</b>	<b>126,605,577</b>	<b>126,255,747</b>
<b>Current assets</b>				
Inventories		1,236,634	1,165,962	1,135,079
Trade receivables, prepayments and other receivables	8	12,606,314	10,509,792	9,105,397
Amounts due from a related party	17	-	279,180	-
Financial assets at fair value through profit or loss	9	1,694,259	-	-
Cash and cash equivalents	10	20,584,679	27,750,753	10,539,587
		<b>36,121,886</b>	<b>39,705,687</b>	<b>20,780,063</b>
<b>TOTAL ASSETS</b>		<b>166,868,198</b>	<b>166,311,264</b>	<b>147,035,810</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	11	56,650,000	56,650,000	20,000,000
Share premium		19,830,000	19,830,000	-
Statutory reserve		1,623,632	1,623,632	1,029,872
Retained earnings		7,927,097	5,676,118	19,693,545
<b>Equity attributable to the equity holders of the Parent Company</b>		<b>86,030,729</b>	<b>83,779,750</b>	<b>40,723,417</b>
Non-controlling interests		228,701	237,787	-
<b>Total equity</b>		<b>86,259,430</b>	<b>84,017,537</b>	<b>40,723,417</b>
<b>Non-current liabilities</b>				
Bank borrowings	12	34,068,232	35,585,670	69,647,512
Islamic financing facilities	13	35,477,416	36,177,699	-
Lease liabilities		66,156	87,609	-
Contract liabilities	14	892,592	1,007,052	1,217,316
Employees' end of service benefits		1,174,960	1,069,646	771,331
		<b>71,679,356</b>	<b>73,927,676</b>	<b>71,636,159</b>
<b>Current liabilities</b>				
Bank borrowings	12	2,785,514	2,566,179	8,995,134
Islamic financing facilities	13	676,533	516,953	-
Convertible preference shares classified as financial liabilities	15	-	-	19,273,217
Lease liabilities		84,075	82,929	-
Trade and other payables	16	4,925,450	4,742,150	5,982,883
Contract liabilities	14	457,840	457,840	425,000
		<b>8,929,412</b>	<b>8,366,051</b>	<b>34,676,234</b>
<b>Total liabilities</b>		<b>80,608,768</b>	<b>82,293,727</b>	<b>106,312,393</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>166,868,198</b>	<b>166,311,264</b>	<b>147,035,810</b>

\* The interim condensed consolidated statement of financial position as at 31 March 2025 is neither reviewed nor audited.

  
**Sheikh Mubarak Abdullah Al-Sabah**  
 Chairman

The attached notes 1 to 20 form part of this interim condensed consolidated financial information.

Action Energy Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three-month ended 31 March 2026

	<i>Attributable to equity holders of the Parent Company</i>					<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
	<i>Share capital</i> KD	<i>Share premium</i> KD	<i>Statutory reserve</i> KD	<i>Retained earnings</i> KD	<i>Sub total</i> KD		
<b>As at 1 January 2026 (Audited)</b>	<b>56,650,000</b>	<b>19,830,000</b>	<b>1,623,632</b>	<b>5,676,118</b>	<b>83,779,750</b>	<b>237,787</b>	<b>84,017,537</b>
Profit for the period	-	-	-	2,250,979	2,250,979	(9,086)	2,241,893
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,250,979	2,250,979	(9,086)	2,241,893
<b>At 31 March 2026</b>	<b>56,650,000</b>	<b>19,830,000</b>	<b>1,623,632</b>	<b>7,927,097</b>	<b>86,030,729</b>	<b>228,701</b>	<b>86,259,430</b>
<b>As at 1 January 2025 (Audited)</b>	<b>20,000,000</b>	<b>-</b>	<b>1,029,872</b>	<b>18,796,721</b>	<b>39,826,593</b>	<b>-</b>	<b>39,826,593</b>
Profit for the period	-	-	-	896,824	896,824	-	896,824
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	896,824	896,824	-	896,824
<b>At 31 March 2025*</b>	<b>20,000,000</b>	<b>-</b>	<b>1,029,872</b>	<b>19,693,545</b>	<b>40,723,417</b>	<b>-</b>	<b>40,723,417</b>

★ The interim condensed consolidated statement of changes in equity for the three months ended 31 March 2025 is neither reviewed nor audited.

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

# Action Energy Company K.S.C.P. and its Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three months period ended 31 March 2026

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	<b>2026</b>	<b>2025*</b>
		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
Profit before tax		<b>2,346,466</b>	912,995
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of property, plant and equipment	7	<b>1,202,579</b>	887,640
Service charges – consumption of prepaid drilling rights	8	<b>25,100</b>	27,255
Provision for employees end of service benefits		<b>110,549</b>	54,166
Interest income		<b>(162,702)</b>	(33,053)
Finance costs on debt and borrowings		<b>964,316</b>	687,619
Interest and amortisation charge on convertible preference shares		<b>-</b>	447,399
Unrealised loss on financial assets at fair value through profit or loss		<b>12,036</b>	-
Amortisation of intangible asset		<b>13,750</b>	-
Depreciation of right-of-use assets		<b>20,754</b>	-
Interest expense on lease liabilities		<b>2,253</b>	-
		<hr/>	<hr/>
Operating profit before working capital changes		<b>4,535,101</b>	2,984,021
<i>Working capital adjustments:</i>			
Trade receivables, prepayments and other receivables		<b>(2,146,762)</b>	(604,363)
Inventories		<b>(70,672)</b>	(325,858)
Trade and other payables		<b>22,758</b>	(1,869,503)
Contract liabilities		<b>(114,460)</b>	610,316
		<hr/>	<hr/>
Cash flows from operations		<b>2,225,965</b>	794,613
Employees' end of service benefits paid		<b>(5,235)</b>	-
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>		<b>2,220,730</b>	794,613
<b>INVESTING ACTIVITIES</b>			
Purchase of items of property plant and equipment	7	<b>(5,377,818)</b>	(11,005,863)
Net movement in term deposits with original maturity over three months	10	<b>(6,500,000)</b>	(4,461,440)
Interest income received		<b>187,842</b>	156,536
Movement in escrow accounts		<b>130,556</b>	(709,919)
Purchase of financial assets at fair value through profit or loss		<b>(1,706,295)</b>	-
		<hr/>	<hr/>
<b>Net cash flows used in investing activities</b>		<b>(13,265,715)</b>	(16,020,686)
<b>FINANCING ACTIVITIES</b>			
Net movement in related party balances		<b>279,180</b>	(34,078)
Proceeds from bank borrowings	12	<b>4,900,000</b>	11,053,000
Repayment of bank borrowings	12	<b>(6,198,103)</b>	(661,156)
Repayment of Islamic financing facilities		<b>(540,703)</b>	-
Finance costs paid		<b>(908,347)</b>	(377,724)
Payment of lease liabilities		<b>(22,560)</b>	-
		<hr/>	<hr/>
<b>Net cash flows (used in) / from financing activities</b>		<b>(2,490,533)</b>	9,980,042
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at 1 January		<b>(13,535,518)</b>	(5,246,031)
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	10	<b>5,742,827</b>	473,459
		<hr/> <hr/>	<hr/> <hr/>

★ *The interim condensed consolidated statement of cash flows for the three months ended 31 March 2025 is neither reviewed nor audited.*

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

### 1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Action Energy Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2026 was authorised for issue in accordance with a resolution of the board of directors on 13 May 2026.

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved by the Parent Company’s shareholders at the annual general assembly meeting (“AGM”) held on 7 May 2026. Dividends declared and approved by the Group are disclosed in Note 11.

The Parent Company is a Kuwaiti shareholding company incorporated and domiciled in Kuwait. The head office of the Parent Company is located in Free Zone, Block 1, Plot No. 4D, First Floor, P.O. Box 3866, Safat 13039, Kuwait.

The Group operates in the oilfield services sector. The Parent Company is principally engaged in oil well drilling, services related to the extraction of oil and natural gas, and maintenance of oil and petrochemical facilities.

During the year ended 31 December 2025, the Parent Company completed an initial public offering through a private placement to qualified investors. The Parent Company’s shares were listed in the Premier Market of Bursa Kuwait on 17 December 2025. The shareholders of the Parent Company in the extraordinary general meeting (“EGM”) held on 18 March 2026 approved the change in legal name to Action Energy Company K.S.C.P.

The Parent Company is a subsidiary of Action Real Estate Company K.S.C. (Closed) (the “Holding Company”), which is ultimately controlled by Action Group Holdings Company K.S.C. (Closed) (the “Ultimate Holding Company”).

### 1.2 GROUP INFORMATION

The interim condensed consolidated financial information of the Group includes the following subsidiaries:

<i>Name of the entity</i>	<i>Country of incorporation</i>	<i>% effective holding</i>		<i>Principal activities</i>
		<i>31 March 2026</i>	<i>31 December 2025</i>	
National Construction Real Estate Company W.L.L.	Kuwait	100%	100%	Facilities management and real estate trading
Sun Drilling Kuwait Oil Wells Drilling Co. W.L.L. *	Kuwait	100%	100%	Oil well drilling. Inspection and maintenance services for oilfield sector
Target NDT Company W.L.L.	Kuwait	60%	60%	

\* The Parent Company incorporated Sun Drilling Kuwait Oil Wells Drilling Company W.L.L during 2024. The Parent Company holds 100% through direct and through shares registered in the name of nominees on its behalf. The subsidiary had not commenced commercial operations as at the reporting date.

## 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

### 2.1 Basis of preparation

The interim condensed consolidated financial information for the three months ended 31 March 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2025.

The comparative interim condensed consolidated financial information as at 31 March 2025 and for the three-month period then ended has not been audited or reviewed and presented for comparative purposes only.

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

#### 2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments (the Amendments)*. The Amendments include:

- ▶ Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- ▶ Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- ▶ Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- ▶ The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no impact on the Group's interim condensed consolidated financial information.

#### Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure* and its accompanying Guidance on implementing IFRS 7, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

The amendments had no impact on the Group's interim condensed consolidated financial information.

### 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Three months ended 31 March	
	2026 KD	2025 KD
<b>Type of services:</b>		
Drilling services	6,977,142	3,770,595
Rigs leasing and mobilisation	1,630,948	1,324,772
Other operating revenue*	441,963	239,716
<b>Total revenue from contracts with customers</b>	<b>9,050,053</b>	<b>5,335,083</b>
<b>Geographical markets:</b>		
State of Kuwait	9,050,053	5,335,083
<b>Timing of revenue recognition</b>		
Services transferred over time	9,050,053	5,335,083

\* Other operating revenue mainly represents ancillary services provided to customers in connection with drilling operations (such as catering services, incentive income, and construction of heavy oil wells cellar). These amounts are not significant in relation to the Group's core drilling and rig leasing activities.

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

### 4 COST OF REVENUE

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2026</b>	2025
	<b>KD</b>	<b>KD</b>
Depreciation of rigs and equipment (Note 7)	<b>1,200,064</b>	885,583
Direct staff costs (field personnel)	<b>2,083,358</b>	1,108,411
Fuel cost	<b>362,196</b>	218,932
Consumables and spare parts recognised as expense	<b>240,821</b>	104,126
Catering costs	<b>466,571</b>	184,077
Rig mobilisation costs	<b>396,998</b>	146,767
Site preparation expenses	<b>8,730</b>	98,775
Drilling expenses	<b>74,481</b>	44,040
Repairs and routine maintenance	<b>46,903</b>	27,358
Other direct operating costs	<b>404,818</b>	213,340
	<b>5,284,940</b>	3,031,409

During the period ended 31 March 2026, direct staff cost (field personnel) of KD 103,191 (31 March 2025: KD 354,595) were capitalised within capital work in progress (Note 7).

### 5 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2026</b>	2025
	<b>KD</b>	<b>KD</b>
Staff costs (administrative and support)	<b>300,211</b>	115,982
Expense relating to short-term leases	<b>21,787</b>	41,681
Service charges – consumption of prepaid drilling rights (Note 8)	<b>25,100</b>	27,255
Professional fees	<b>17,143</b>	20,820
IT expenses	<b>44,333</b>	20,325
Bank charges	<b>12,859</b>	30,547
Vehicle expenses	<b>22,184</b>	12,104
Depreciation of office equipment, furniture and motor vehicles (Note 7)	<b>2,515</b>	2,057
Depreciation of right-of-use assets	<b>20,754</b>	-
Other general and administrative expenses	<b>134,946</b>	48,452
	<b>601,832</b>	319,223

During the period ended 31 March 2026, administrative costs KD 51,413 (31 March 2025: KD 183,690) were capitalised within capital work in progress (Note 7).

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

### 6 BASIC AND DILUTED EPS

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of shares outstanding during the period. Diluted EPS is calculated by adjusting the profit attributable to ordinary equity holders of the Parent Company and the weighted average number of shares for the effects of dilutive potential ordinary shares, if any,

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2026</b>	2025*
Profit for the period attributable to ordinary equity holders of the Parent Company (KD)	<b>2,250,979</b>	896,824
Weighted average number of ordinary shares outstanding during the period	<b>566,500,000</b>	375,000,000
<b>Basic and diluted EPS (Fils)</b>	<b>3.97</b>	2.39

★ The weighted average number of ordinary shares for the comparative period has been adjusted retrospectively to reflect the bonus issue during the year ended 31 December 2025, in accordance with IAS 33. 'Earnings per share' for the prior period have been restated accordingly.

There have been no significant transactions involving ordinary shares or potential ordinary shares between the reporting date and the authorisation date of this interim condensed consolidated financial information.

### 7 PROPERTY, PLANT AND EQUIPMENT

#### *Acquisitions and disposals*

During the three months ended 31 March 2026, the Group recognised additions to property plant and equipment amounting to KD 5,377,818 (31 March 2025: KD 11,005,863). These comprised:

- ▶ Direct capital expenditures of KD 118,404 (31 March 2025: KD Nil);
- ▶ Additions to capital work-in-progress of KD 5,259,414 (31 March 2025: KD 11,005,863); and
- ▶ Transfers from capital work-in-progress to drilling rigs of KD Nil (31 March 2025: KD 11,336,417);

There were no disposals of property plant and equipment during the three months ended 31 March 2026 (31 March 2025: Nil).

#### *Capital work-in-progress*

Capital work-in-progress mainly relate to drilling rigs and related equipment under construction during the current interim period. Accordingly, the carrying amount at 31 March 2026 was 6,145,951 (31 December 2025: KD 886,537 and 31 March 2025: KD 23,949,490).

#### *Capitalised costs*

During the three months ended 31 March 2026, the following costs were capitalised within capital work in progress:

- Borrowing costs of KD 9,260 (31 December 2025: KD 676,053; 31 March 2025: KD 526,381). The capitalisation rate applied was the commercial borrowing rate applicable to the qualifying assets.
- Staff costs relating to field personnel directly attributable to construction activities of KD 103,191 (31 December 2025: KD 558,236; 31 March 2025: KD 354,595).
- Administrative costs directly attributable to construction activities of KD 51,413 (31 December 2025: KD 275,536; 31 March 2025: KD 183,690).

#### *Capital commitments*

At 31 March 2026, the Group had KD 29,743,202 (31 December 2025: KD 1,276,490; 31 March 2025: KD Nil) outstanding capital commitments in respect of the construction of drilling rigs and related equipment.

These commitments primarily related to contracts entered with third-party contractors for the construction and delivery of drilling rigs and associated equipment. The commitments are financed through a combination of existing cash resources and available bank borrowings.

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

### 7 PROPERTY, PLANT AND EQUIPMENT (continued)

#### *Assets pledged as security*

Drilling rigs are pledged as a security for the Group's borrowings (Notes 12 and 13)

#### *Depreciation expense by function*

Depreciation expense recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income is allocated as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2026</b>	2025
	<b>KD</b>	KD
Cost of revenue (Note 4)	<b>1,200,064</b>	885,583
General and administrative expenses (Note 5)	<b>2,515</b>	2,057
	<b>1,202,579</b>	887,640

### 8 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<b>2026</b>	<i>31 December</i>	<i>2025</i>
	<b>KD</b>	KD	KD
Trade receivables	<b>2,989,740</b>	1,090,478	797,522
Contract assets	<b>4,795,502</b>	5,030,066	4,379,844
<b>Total trade receivables and contract assets</b>	<b>7,785,242</b>	6,120,544	5,177,366
Retention receivables	<b>3,136,632</b>	2,764,106	1,843,490
Prepayments <sup>1</sup>	<b>395,868</b>	210,896	632,989
Advances to suppliers <sup>2</sup>	<b>826,249</b>	925,123	120,254
Unamortised portion of financial liability <sup>3</sup>	-	-	995,534
Accrued interest on term deposits	<b>141,352</b>	166,492	16,150
Other receivables	<b>320,971</b>	322,631	319,614
	<b>12,606,314</b>	10,509,792	9,105,397

<sup>1</sup> Prepayments mainly relate to the Parent Company's service charge arrangement. In 2015, the Parent Company paid KD 1,388,080 (USD 4,576,158) to a third party for beneficial rights over drilling operations for a period of five years.

During the current period, service charges of KD 25,100 (31 December 2025: KD 109,020; 31 March 2025: KD 27,255) were expensed on consumption of benefits in the interim condensed consolidated statement of profit or loss.

<sup>2</sup> Advances to suppliers include balances with related parties amounting to KD 65,401 (31 December 2025: KD 78,336; 31 March 2025: KD Nil) (Note 17).

<sup>3</sup> This balance represented the unamortised portion of the premium recognised on initial recognition of the Parent Company's convertible preference shares, which is being unwound to finance costs over the contractual term of the instrument using effective interest rate (EIR) method in accordance with IFRS 9.

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

### 8 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES (continued)

Trade receivables are unsecured, non-interest bearing and are generally settled within normal credit terms. They primarily relate to government and corporate counterparties with no significant history of default. Contract assets represent unbilled revenue and are reclassified to trade receivables upon invoicing.

There have been no significant changes in credit risk since year end and the expected credit loss remains immaterial at the reporting date.

### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

During the period, the Group invested in structured investment instruments within managed portfolios, including equity-linked and commodity-linked products.

The contractual cash flows of these instruments are not solely payments of principal and interest, as they are linked to the performance of underlying assets. Accordingly, they are classified and measured at fair value through profit or loss. As a result, no separation of embedded derivatives is required.

The fair value of these instruments is determined using valuation techniques, including those applied by the portfolio manager, and incorporates unobservable assumptions such as market volatility, correlation and barrier features. Accordingly, the instruments are classified within Level 3 of the fair value hierarchy.

### 10 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<i>31 March</i> <i>2026</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2025</i> <i>KD</i>	<i>31 March</i> <i>2025</i> <i>KD</i>
Cash at bank and in hand	<b>3,640,974</b>	18,100,753	1,628,147
Term deposits	<b>16,150,000</b>	9,650,000	8,911,440
Cash held in managed portfolios <sup>1</sup>	<b>793,705</b>	-	-
<b>Cash and cash equivalents</b>	<b>20,584,679</b>	27,750,753	10,539,587
Less: Term deposits having original maturity of more than three months	<b>(13,650,000)</b>	(7,150,000)	(8,911,440)
Less: balances held in escrow accounts <sup>2</sup>	<b>(1,191,852)</b>	(1,322,408)	(1,154,688)
<b>Cash and cash equivalents for interim condensed consolidated statement of cash flows</b>	<b>5,742,827</b>	19,278,345	473,459

<sup>1</sup> Cash held in managed portfolios represent cash placed with the portfolio manager for investment purposes.

<sup>2</sup> The Group maintains escrow accounts in relation to its borrowing arrangements. The funds held in these accounts are restricted and may only be utilised for future payments related to borrowings. As at 31 March 2026, the balance held in escrow account amounted to KD 1,191,852 (31 December 2025: KD 1,322,408; 31 March 2025: KD 1,154,688).

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of more than three months to less than twelve months, depending on the immediate cash requirements of the Group, and earn interest at the prevailing market rates.

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

### 11 SHARE CAPITAL AND DISTRIBUTIONS

#### 11.1 Share capital

	<b>31 March 2026</b>		<i>(Audited)</i> <b>31 December 2025</b>		<b>31 March 2025</b>	
	<i>No. of shares</i>	<i>Amount in KD</i>	<i>No. of shares</i>	<i>Amount in KD</i>	<i>No. of shares</i>	<i>Amount in KD</i>
Authorised share capital (100 fils each)	<b>1,000,000,000</b>	<b>100,000,000</b>	1,000,000,000	100,000,000	550,000,000	55,000,000
Issued and paid-up share capital (100 fils each)	<b>566,500,000</b>	<b>56,650,000</b>	566,500,000	56,650,000	200,000,000	20,000,000

#### 11.2 Distributions made and proposed

The Board of Directors (BOD), in their meeting held on 16 March 2026 proposed a cash dividend of 3 fils per share for the year ended 31 December 2025 (2024: Nil), amounting to KD 1,699,500 (2024: Nil). The dividend was approved by the shareholders at the annual general assembly held on 7 May 2026. No liability was recognised as at 31 March 2026.

### 12 BANK BORROWINGS

	<i>(Audited)</i>		
	<b>31 March 2026</b> <i>KD</i>	<b>31 December 2025</b> <i>KD</i>	<b>31 March 2025</b> <i>KD</i>
Non-current	<b>34,068,232</b>	35,585,670	69,647,512
Current	<b>2,785,514</b>	2,566,179	8,995,134
<b>Total interest-bearing loans and borrowings</b>	<b>36,853,746</b>	38,151,849	78,642,646

Bank borrowings represent commercial facilities denominated in Kuwaiti Dinars obtained from a local financial institution. The facilities bear interest at floating rates linked to prevailing market interest rates.

The borrowings are secured by a registered mortgage over the Group's drilling rigs (Note 7)

The Group has complied with all financial covenants attached to these facilities, and there were no breaches of covenants as at 31 March 2026 (31 December 2025 and 31 March 2025: Nil).

#### Changes in liabilities arising from financing activities

	<b>Three months ended 31 March 2026</b>		
	<b>1 January 2026</b> <i>KD</i>	<b>Net cash flows</b> <i>KD</i>	<b>31 March 2026</b> <i>KD</i>
Bank borrowings	<b>38,151,849</b>	<b>(1,298,103)</b>	<b>36,853,746</b>

  

	<b>Year ended 31 December 2025 (Audited)</b>		
	<b>1 January 2025</b> <i>KD</i>	<b>Net cash flows</b> <i>KD</i>	<b>31 December 2025</b> <i>KD</i>
Bank borrowings	68,250,802	(30,098,953)	38,151,849

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

### 12 BANK BORROWINGS (continued)

#### Changes in liabilities arising from financing activities (continued)

	<i>Three months ended 31 March 2025</i>		
	<i>1 January</i>	<i>Net cash</i>	<i>31 March</i>
	<i>2025</i>	<i>flows</i>	<i>2025</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Bank borrowings	68,250,802	10,391,844	78,642,646

### 13 ISLAMIC FINANCING FACILITIES

	<i>Tawarruq facilities</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>	<i>2025</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Gross amount	43,966,549	44,965,365	-
Less: deferred finance costs payable	(7,812,600)	(8,270,713)	-
	<u>36,153,949</u>	<u>36,694,652</u>	<u>-</u>
Current	676,533	516,953	-
Non-current	35,477,416	36,177,699	-
	<u>36,153,949</u>	<u>36,694,652</u>	<u>-</u>

Islamic finance represents credit facilities granted by a local financial institution and carrying an annual profit at commercial rate. Islamic finance is secured by mortgage over the Group's drilling rigs (Note 7), corporate guarantee of the Holding Company and Ultimate Holding Company.

### 14 CONTRACT LIABILITIES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>	<i>2025</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Non-current	892,592	1,007,052	1,217,316
Current	457,840	457,840	425,000
	<u>1,350,432</u>	<u>1,464,892</u>	<u>1,642,316</u>

Set out below is the movement in contract liabilities:

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>	<i>2025</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Balance at beginning of the period/ year</b>	<b>1,464,892</b>	1,032,000	1,032,000
Amounts invoiced in advance during the period/ year	-	849,202	685,000
Performance obligations satisfied during the period/ year	(114,460)	(416,310)	(74,684)
<b>Balance at end of the period/ year</b>	<b>1,350,432</b>	<b>1,464,892</b>	<b>1,642,316</b>

# Action Energy Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 15 CONVERTIBLE PREFERENCE SHARES CLASSIFIED AS FINANCIAL LIABILITIES

	<b>31 March 2026 KD</b>	<i>(Audited)</i> 31 December 2025 KD	31 March 2025 KD
Convertible preference shares	-	-	19,273,217

Set out below is the movement in convertible preference shares classified as financial liabilities:

	<b>31 March 2026 KD</b>	<i>(Audited)</i> 31 December 2025 KD	31 March 2025 KD
<b>Balance at beginning of the period/year</b>	-	19,253,879	19,253,879
Interest expense recognised using the EIR method	-	1,021,177	284,852
Interest payment during the period/year	-	(998,783)	(265,514)
Transfer of unamortised portion of financial liability remaining prior to conversion	-	(330,273)	-
Conversion into ordinary equity shares*	-	(18,946,000)	-
<b>Balance at end of the period/year</b>	-	-	19,273,217

\* On 21 October 2025, following the approval of the holders of the convertible preference shares, the Board of Directors approved the conversion of convertible preferences shares into 97,000,000 ordinary shares of 100 fils each. The conversion of convertible preferences shares was subsequently approved by the Capital Markets Authority (CMA) on 29 October 2025.

### 16 TRADE AND OTHER PAYABLES

	<b>31 March 2026 KD</b>	<i>(Audited)</i> 31 December 2025 KD	31 March 2025 KD
Trade payables	2,433,619	2,321,935	2,672,879
Accrued expenses	1,277,839	1,361,185	1,956,108
Accrued finance cost	768,689	712,720	1,162,051
Zakat payable	86,462	61,853	29,626
KFAS payable	73,758	52,456	25,074
NLST payable	64,673	6,011	-
Other payables	220,410	225,990	137,145
	<b>4,925,450</b>	4,742,150	5,982,883

### 17 RELATED PARTY DISCLOSURES

These represent transactions with major shareholders, directors, executive officers and key management personnel of the Group, close members of their families and companies of which they are principal owners or over which they are able to exercise control or significant influence entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Parent Company's management.

The following table provides the total amount of transactions that have been entered into with related parties during the three months ended 31 March 2026 and 2025, as well as balances with related parties as at 31 March 2026, 31 December 2025 and 31 March 2025:

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 17 RELATED PARTY DISCLOSURES (continued)

<i>Statement of profit or loss</i>	<i>Three months ended</i>		
	<i>2026</i>	<i>2025</i>	
	<i>KD</i>	<i>KD</i>	
<i>Entities under common control</i>			
Cost of revenue	<b>74,702</b>	38,468	
Payment for lease charges	<b>22,560</b>	22,560	

  

<i>Statement of financial position</i>	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>2026</i>	<i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>2025</i>	<i>2025</i>
		<i>KD</i>	<i>KD</i>
<i>Entities under common control</i>			
Advances to suppliers (Note 8)	<b>65,401</b>	78,336	-
Holding Company			
Amounts due from a related party	-	279,180	-

#### Terms and conditions of transactions with related parties

Transactions with related parties are made on terms approved by the Group's management. Outstanding balances at the year-end are unsecured, interest free and have no fixed repayment schedule. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 March 2026, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (31 December 2025 and 31 March 2025: Nil).

#### Other related party disclosures

- ▶ Certain related parties have also provided guarantees in connection with the Group's borrowings (Notes 13).
- ▶ As at the reporting date, the Group held no bank accounts (31 December 2025: KD Nil; 31 March 2025: KD 32,256) registered in the name of an entity owned and controlled by the Holding Company. As of 31 December 2025, the beneficial ownership of these accounts had been transferred back to the related party.

#### Compensation of key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transaction values for the</i>		<i>Balance outstanding as at</i>		
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>	<i>2025</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salary and short-term benefits	<b>130,245</b>	102,270	<b>69,140</b>	60,446	47,841
Post-employment benefits	<b>6,686</b>	4,735	<b>137,079</b>	122,588	91,292
	<b>136,931</b>	107,005	<b>206,219</b>	183,034	139,133

The Board of Directors of the Parent Company did not propose directors' remuneration for the year ended 31 December 2025. Subsequently, the shareholders of the Parent Company at the AGM held on 7 May 2026 approved directors' remuneration amounting to KD 30,000. Accordingly, no accrual was recognised as at 31 December 2025 or 31 March 2026, as the approval was obtained subsequent to the reporting dates.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

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**18 SEGMENT INFORMATION**

The Group's operations comprise a single integrated business segment encompassing drilling services, rig leasing, and mobilisation activities, all which are inter-related and managed together as a single line of business. The Group operates predominantly within a single geographical area, the State of Kuwait. Accordingly, no further segmental information is presented.

As at 31 March 2026, all non-current assets of the Group were located in the State of Kuwait. Revenue from two customers accounted for approximately 98% of the Group's total revenue during the period (31 March 2025: 99%).

**19 CONTINGENCIES AND COMMITMENTS**

**19.1 Contingencies**

At 31 March 2026, the Group had contingent liabilities in respect of bank guarantees issued in the ordinary course of business amounting to KD 56,854,649 (31 December 2025: KD 38,422,561; 31 March 2025: KD 25,992,966).

**19.2 Commitments**

At 31 March 2026, the Group had commitments for future capital expenditure in respect of the construction of drilling rigs and related equipment amounting to KD 29,743,202 (31 December 2025: KD 6,643,767; 31 March 2025: KD Nil).

**20 IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY**

The Group operates in a global and regional economic environment that continues to be affected by heightened geopolitical tensions in the Middle East. Recent developments in the region have increased uncertainty in financial markets, energy supply and costs, regional security conditions and global trade routes.

In April 2026, Kuwait Petroleum Corporation declared force majeure in relation to certain export activities following disruptions to shipping routes through the Strait of Hormuz.

Management has assessed the potential impacts of the geopolitical situation on the Group's operations and financial position, taking into consideration the nature of its activities in the oilfield services sector. As at the reporting date, the Group has not experienced any material disruption to its core operations and no material adverse impact has been identified.

The geopolitical situation remains dynamic and management will continue to monitor developments and reflect any material impacts in future financial reporting, as appropriate. Management has also considered these developments in its assessment of the Group's ability to continue as a going concern and concluded that the going concern basis remains appropriate.