ARABIAN DRILLING COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month and nine-month periods ended 30 September 2025
with
Independent Auditor's Review Report

Arabian Drilling Company
(A Saudi Joint Stock Company)

Condensed consolidated interim financial statements with independent auditor's review report
For the three-month and nine-month periods ended 30 September 2025

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Report on review of condensed consolidated interim financial statements

To the shareholders of Arabian Drilling Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Arabian Drilling Company (the “Company”) and its subsidiary (collectively the “Group”) as at 30 September 2025 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period ended 30 September 2025 and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim 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, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Ali H. Al Basri
License Number 409

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29 October 2025

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Arabian Drilling Company
(A Saudi Joint Stock Company)

Condensed consolidated interim statement of financial position

(All amounts in Saudi Riyals unless otherwise stated)

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	**8,598,050,359**	8,709,983,089
Intangible assets		**58,059,372**	50,611,327
Right-of-use assets		**13,861,967**	65,126,615
Long-term deposits		**-**	16,200,000
Derivative financial instruments		**604,002**	6,419,826
Total non-current assets		**8,670,575,700**	8,848,340,857
Current assets			
Inventories		**307,225,795**	308,671,459
Trade and other receivables		**949,032,563**	779,580,932
Income tax refundable		**8,903,871**	10,651,614
Short-term deposits		**8,100,000**	-
Cash and cash equivalents		**348,534,088**	581,806,531
		1,621,796,317	1,680,710,536
Assets held for sale		**19,298,324**	5,789,201
Total current assets		**1,641,094,641**	1,686,499,737
Total assets		**10,311,670,341**	10,534,840,594
EQUITY AND LIABILITIES			
Equity			
Share capital	4	**890,000,000**	890,000,000
Share premium		**790,675,825**	790,675,825
Statutory reserve	5	**267,000,000**	267,000,000
Cash flow hedge reserve		**604,002**	6,419,826
Retained earnings		**3,937,401,679**	3,984,089,284
Total equity		**5,885,681,506**	5,938,184,935
Liabilities			
Non-current liabilities			
Long-term borrowings	6	**2,721,198,044**	2,672,513,247
Lease liabilities		**5,191,155**	4,114,021
Employees' benefit obligations		**311,323,476**	326,804,258
Mobilization revenue		**91,249,146**	112,889,224
Deferred tax liabilities		**201,990,729**	184,297,340
Total non-current liabilities		**3,330,952,550**	3,300,618,090

(continued)

Arabian Drilling Company
(A Saudi Joint Stock Company)

Condensed consolidated interim statement of financial position (continued)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current liabilities			
Trade and other payables		**701,701,682**	878,012,947
Current portion of long-term borrowings	6	**316,426,479**	282,427,922
Current portion of lease liabilities		**9,045,356**	63,778,335
Mobilization revenue		**58,373,301**	66,140,447
Provision for zakat and income tax		**9,489,467**	5,677,918
Total current liabilities		**1,095,036,285**	1,296,037,569
Total liabilities		**4,425,988,835**	4,596,655,659
Total equity and liabilities		**10,311,670,341**	10,534,840,594

Khalid Nouh
(Chairman)

Ghassan Mirdad
(Chief Executive Officer)

Farid Mustafayev
(Chief Financial Officer)

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

Arabian Drilling Company
(A Saudi Joint Stock Company)

Condensed consolidated interim statement of profit or loss and other comprehensive income

(All amounts in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended 30 September 2025 (Unaudited)	Three-month period ended 30 September 2024 (Unaudited)	Nine-month period ended 30 September 2025 (Unaudited)	Nine-month period ended 30 September 2024 (Unaudited)
Revenue	8	**835,433,361**	863,188,842	**2,608,984,925**	2,769,157,186
Cost of revenue		**(734,511,103)**	(683,555,722)	**(2,205,060,282)**	(2,191,639,728)
Gross profit		**100,922,258**	179,633,120	**403,924,643**	577,517,458
Expected credit loss allowance		**-**	-	**-**	(1,155,730)
General and administrative expenses		**(46,926,870)**	(44,372,646)	**(163,863,574)**	(150,907,454)
Other operating income, net	9	**1,323,868**	8,208,123	**19,129,463**	7,363,830
		55,319,256	143,468,597	**259,190,532**	432,818,104
Finance costs		**(55,356,009)**	(56,536,780)	**(164,025,556)**	(173,682,251)
Finance income		**1,756,088**	3,178,740	**1,886,166**	21,167,698
Finance costs - net		**(53,599,921)**	(53,358,040)	**(162,139,390)**	(152,514,553)
Profit before zakat and income tax		**1,719,335**	90,110,557	**97,051,142**	280,303,551
Zakat reversal / (expense)	7.1	**-**	850,288	**(3,811,549)**	(10,138,278)
Income tax expense	7.1	**(11,126,132)**	(6,147,511)	**(19,971,837)**	(18,918,840)
(Loss) / profit for the period		**(9,406,797)**	84,813,334	**73,267,756**	251,246,433
Other comprehensive income					
Items that may be reclassified to profit or loss:					
(Loss) / gain on cash flow hedge		**(201,898)**	1,571,263	**(5,815,824)**	1,571,263
Other comprehensive (loss) / income for the period		**(201,898)**	1,571,263	**(5,815,824)**	1,571,263
Total comprehensive (loss) / income for the period		**(9,608,695)**	86,384,597	**67,451,932**	252,817,696
(Loss) / earnings per share					
Basic and diluted	10	**(0.11)**	0.95	**0.82**	2.82

Khalid Nouh	Ghassan Mirdad	Farid Mustafayev
(Chairman)	(Chief Executive Officer)	(Chief Financial Officer)

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Arabian Drilling Company
(A Saudi Joint Stock Company)

Condensed consolidated interim statement of changes in equity
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	**Share premium**	**Statutory reserve**	**Cash flow hedge reserve**	**Retained earnings**	**Total**
As at 1 January 2024 (Audited)	890,000,000	790,675,825	267,000,000	-	4,013,745,577	5,961,421,402
Profit for the period	-	-	-	-	251,246,433	251,246,433
Other comprehensive income for the period	-	-	-	1,571,263	-	1,571,263
Total comprehensive income for the period	-	-	-	1,571,263	251,246,433	252,817,696
Dividends	-	-	-	-	(344,832,169)	(344,832,169)
As at 30 September 2024 (Unaudited)	890,000,000	790,675,825	267,000,000	1,571,263	3,920,159,841	5,869,406,929
As at 1 January 2025 (Audited)	**890,000,000**	**790,675,825**	**267,000,000**	**6,419,826**	**3,984,089,284**	**5,938,184,935**
Profit for the period	**-**	**-**	**-**	**-**	**73,267,756**	**73,267,756**
Other comprehensive loss for the period	**-**	**-**	**-**	**(5,815,824)**	**-**	**(5,815,824)**
Total comprehensive income for the period	**-**	**-**	**-**	**(5,815,824)**	**73,267,756**	**67,451,932**
Dividends (note 15)	**-**	**-**	**-**	**-**	**(119,955,361)**	**(119,955,361)**
As at 30 September 2025 (Unaudited)	**890,000,000**	**790,675,825**	**267,000,000**	**604,002**	**3,937,401,679**	**5,885,681,506**

Khalid Nouh
(Chairman)

Ghassan Mirdad
(Chief Executive Officer)

Farid Mustafayev
(Chief Financial Officer)

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

Arabian Drilling Company
(A Saudi Joint Stock Company)

Condensed consolidated interim statement of cash flows

(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the nine-month period ended 30 September	
		2025	2024
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit before zakat and income tax		**97,051,142**	280,303,551
Adjustment for:			
Depreciation on property, plant and equipment	3	**652,356,067**	562,153,227
Depreciation on right-of-use assets		**56,301,509**	49,947,428
Impairment of property, plant and equipment	3	**-**	105,000,000
Amortization of intangible assets		**8,932,211**	-
Provision for slow-moving inventories		**(6,079,366)**	2,493,922
Income from insurance claim		**(7,121,089)**	-
Expected credit loss allowance		**-**	1,155,730
Employees' benefit obligations		**29,688,292**	38,467,121
Loss on assets held for sale		**-**	2,395,309
Gain on disposal of non-current assets held for sale		**(9,350,262)**	(4,769,281)
Amortization of mobilization cost		**24,048,994**	19,659,630
Amortization of mobilization revenue		**(79,349,980)**	(88,674,181)
Finance costs		**164,025,556**	173,682,251
Finance income		**(1,886,166)**	(21,167,698)
		928,616,908	1,120,647,009
Changes in working capital:			
Inventories		**7,525,030**	(40,372,249)
Trade and other receivables		**(168,577,045)**	(25,779,009)
Trade and other payables		**(176,311,265)**	90,962,707
Cash generated from operations		**591,253,628**	1,145,458,458
Mobilization cost paid		**(16,798,011)**	(68,781,993)
Mobilization revenue received		**42,691,773**	35,395,518
Zakat and income tax paid		**(530,704)**	(45,756,234)
Employees' benefit obligations paid		**(45,169,074)**	(18,269,598)
Net cash generated from operating activities		**571,447,612**	1,048,046,151
Cash flows from investing activities			
Additions to property, plant and equipment	3	**(567,822,621)**	(1,466,968,347)
Additions to intangible assets		**(16,380,255)**	-
Proceeds from disposal of assets held for sale		**23,240,423**	21,958,138
Insurance proceeds received		**6,246,503**	-
Finance income received		**1,731,976**	23,485,402
Net cash used in investing activities		**(552,983,974)**	(1,421,524,807)
Cash flows from financing activities			
Proceeds from long-term borrowings		**300,000,000**	-
Repayment of long-term borrowings		**(192,647,059)**	(75,000,000)
Payments for principal element of lease payments		**(50,592,706)**	(49,981,305)
Finance costs paid		**(188,540,955)**	(211,567,180)
Dividends paid		**(119,955,361)**	(344,832,169)
Net cash used in financing activities		**(251,736,081)**	(681,380,654)
Net decrease in cash and cash equivalents		**(233,272,443)**	(1,054,859,310)
Cash and cash equivalents at the beginning of the period		**581,806,531**	1,435,421,469
Cash and cash equivalents at the end of the period		**348,534,088**	380,562,159

Arabian Drilling Company
(A Saudi Joint Stock Company)

Condensed consolidated interim statement of cash flows (continued)

(All amounts in Saudi Riyals unless otherwise stated)

Significant non-cash transactions		
Transfer from property, plant and equipment to assets held for sale	**27,399,284**	10,004,569
Insurance receivable	**874,586**	-

Khalid Nouh (Chairman)

Ghassan Mirdad (Chief Executive Officer)

Farid Mustafayev (Chief Financial Officer)

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

1. General information

Arabian Drilling Company (the "Company" or "ADC") and its subsidiary (collectively the "Group") are principally engaged in the drilling of oil and natural gas wells, operations, maintenance and hauling of rigs and related activities.

The Company is a Saudi Joint Stock Company licensed under foreign investment license number 2031047241 issued by the Ministry of Investment on 18 Dhu-al-Hijja 1424H (corresponding to 13 December 2003G) and operating under commercial registration number 2051026089 issued in Dammam on 3 Safar 1423H (corresponding to 16 April 2002G). The registered address of the Company is P.O. Box 4110, Al-Khobar 31952, Kingdom of Saudi Arabia.

The Company was listed on the Saudi Stock Exchange (Tadawul) on 7 November 2022 with a free float of 30% of the Company's share capital.

During 2024, the Company established a branch in the Kingdom of Saudi Arabia operating under commercial registration number 2051026089. The branch is located in Dammam and is engaged in training services.

During the quarter ended 30 June 2025, the Company established a branch in United Arab Emirates, operating under commercial registration number 775479. The branch is located in Sharjah and will be engaged in drilling of oil and natural gas wells and to support the execution of potential oil and gas drilling contracts. As at 30 September 2025, the branch did not have commercial operations.

The accompanying condensed consolidated interim financial statements include the financial information of the Company and its wholly owned subsidiary, Ofsat Arabia LLC ("Ofsat"). Ofsat is a Limited Liability Company incorporated in the Kingdom of Saudi Arabia.

2. Basis of preparation and material accounting policies

2.1 Statement of compliance

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

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024 ("latest annual consolidated financial statements"). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Group's consolidated financial position and performance since the last annual consolidated financial statements.

An interim period is considered an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

2.2 Basis of preparation

These condensed consolidated interim financial statements are prepared under the historical cost convention using the accrual basis of accounting except for derivatives, assets held for sale, leases, deferred taxes and employees' benefit obligations which are measured in accordance with the basis of measurement disclosed in the respective accounting policies in the last annual consolidated financial statements.

2.3 Functional and presentation currency

Items included in the condensed interim financial statements of the Group's entities are measured using the currency of the primary economic environment in which the respective entity operates ("functional currency"). The Group's entities cash flows, financing and transactions occur in more than one currency. Since a significant portion of revenue and capital expenditure is denominated in United States Dollars (USD), management believes that USD is the currency with the most influence over the Group's entities operations. Accordingly, USD is considered to be the functional currency of the Group's entities. Management has elected to prepare these condensed consolidated interim financial statements in Saudi Riyals which is the Group's presentation currency and believes that there is no translation impact on these condensed consolidated interim financial statements since Saudi Riyal is pegged to USD.

2.4 Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's latest annual consolidated financial statements.

2.5 Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's latest annual consolidated financial statements. Amendments to one of the existing standards, as detailed in note 2.6 (a) below, became effective from 1 January 2025 but they do not have a material effect on the condensed consolidated interim financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.6 New standards, amendments and interpretations

a. New and revised standards adopted by the Group

The Group has adopted the following relevant amendments to IFRS which are effective for periods beginning on and after 1 January 2025, and have no impact on the Group's transactions and balances for the current or prior periods:

- Amendments to IAS 21 - Lack of Exchangeability.

b. New and revised standards issued but not yet effective

Certain new accounting standards, amendments to standards and interpretations have been published by the International Accounting Standards Board ("IASB") and endorsed in the Kingdom of Saudi Arabia by SOCPA, that are not mandatory for the 30 September 2025 reporting period and have not been early adopted by the Group.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026)
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective for annual periods beginning on or after 1 January 2027)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The management is currently in the process of assessing the impact of the above-mentioned standards on the consolidated financial statements of the Group.

(All amounts in Saudi Riyals unless otherwise stated)

3. Property, plant and equipment

Cost	**1 January 2025 (Audited)**	**Additions**	**Transfers**	**Transfers to held for sale**	**30 September 2025 (Unaudited)**
Freehold land	**88,236,250**	**-**	**-**	**(6,100,000)**	**82,136,250**
Buildings and portable cabins	**184,788,166**	**-**	**2,066,689**	**(1,998,230)**	**184,856,625**
Rigs, machinery and equipment	**15,104,215,193**	**-**	**918,778,021**	**(403,345,403)**	**15,619,647,811**
Furniture, fixtures and office equipment	**128,526,925**	**-**	**9,334,273**	**(1,337,239)**	**136,523,959**
Vehicles	**147,472,137**	**-**	**16,465,583**	**(431,503)**	**163,506,217**
Assets under construction	**768,199,985**	**567,822,621**	**(946,644,566)**	**-**	**389,378,040**
	16,421,438,656	**567,822,621**	**-**	**(413,212,375)**	**16,576,048,902**
Accumulated depreciation and impairment					
Buildings and portable cabins	**(27,082,519)**	**(6,322,537)**	**-**	**1,406,758**	**(31,998,298)**
Rigs, machinery and equipment	**(7,485,063,646)**	**(624,625,138)**	**-**	**382,946,271**	**(7,726,742,513)**
Furniture, fixtures and office equipment	**(82,075,648)**	**(6,359,464)**	**-**	**1,045,694**	**(87,389,418)**
Vehicles	**(117,233,754)**	**(15,048,928)**	**-**	**414,368**	**(131,868,314)**
	(7,711,455,567)	**(652,356,067)**	**-**	**385,813,091**	**(7,977,998,543)**
Net book value	**8,709,983,089**				**8,598,050,359**

(All amounts in Saudi Riyals unless otherwise stated)

Cost	1 January 2024 (Audited)	Additions	Transfers	Transfers to held for sale	Impairment loss	31 December 2024 (Audited)
Freehold Land	88,236,250	-	-	-	-	88,236,250
Buildings and portable cabins	180,087,917	-	4,725,899	(25,650)	-	184,788,166
Rigs, machinery and equipment	13,323,425,718	-	2,058,182,818	(277,393,343)	-	15,104,215,193
Furniture, fixtures and office equipment	121,189,474	-	8,526,298	(1,188,847)	-	128,526,925
Vehicles	147,638,044	-	5,252,290	(5,418,197)	-	147,472,137
Assets under construction	985,192,811	1,859,694,479	(2,076,687,305)	-	-	768,199,985
	14,845,770,214	1,859,694,479	-	(284,026,037)	-	16,421,438,656
Accumulated depreciation and impairment						
Buildings and portable cabins	(23,138,957)	(3,964,219)	-	20,657	-	(27,082,519)
Rigs, machinery and equipment	(6,893,258,117)	(752,614,016)	-	265,808,487	(105,000,000)	(7,485,063,646)
Furniture, fixtures and office equipment	(74,709,639)	(8,548,081)	-	1,182,072	-	(82,075,648)
Vehicles	(116,828,618)	(5,749,580)	-	5,344,444	-	(117,233,754)
	(7,107,935,331)	(770,875,896)	-	272,355,660	(105,000,000)	(7,711,455,567)
Net book value	7,737,834,883					8,709,983,089

a) Assets under construction at 30 September 2025 mainly represent cost related to the refurbishment of rigs.

b) Rigs, machinery and equipment represent assets under contracts with customers for the drilling services which include both leasing and service components.

c) Pursuant to the approval by the Company's Board of Directors, during the nine-month period ended 30 September 2025, the Group transferred certain assets with a net book value of Saudi Riyals 27.4 million (2024: Saudi Riyals 6.5 million) to assets held for sale. During the nine-month period ended 30 September 2025, the Group sold assets previously classified as held for sale, with a carrying value of Saudi Riyals 13.9 million (2024: Saudi Riyals 17.2 million).

(All amounts in Saudi Riyals unless otherwise stated)

3.1 As at 31 December 2024, management identified impairment indicators for certain cash generating units (CGUs) and accordingly, an impairment assessment was carried out for such CGUs as at 31 December 2024. Based on such assessment, management concluded to impair two rigs and an impairment loss of Saudi Riyals 105.0 million was recorded in cost of revenue during the year ended 31 December 2024. During the nine-month period ended 30 September 2025, there were no changes to the estimates and assumptions used by the management in the impairment assessment carried out at 31 December 2024 for the above mentioned CGUs. Accordingly, as at 30 September 2025, no indicators for impairment or reversal of previously recognised impairment losses were identified by the management.

During the nine-month period ended 30 September 2025, one offshore and five additional onshore rigs were suspended by Saudi Aramco. This event was identified as an impairment indicator by the Group management for the six suspended rigs and accordingly, an impairment assessment was carried out for such rigs as at 30 September 2025. However, as a result of such assessment, no impairment loss was identified. The impairment assessment was based on value-in-use calculations which require management to estimate the future cash flows and appropriate discount and growth rates. As at 30 September 2025, there are no estimates related to such impairment assessment that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve month period.

The management has applied a significant judgement that the suspended rigs would resume operations within 12 month period.

4. Share capital

The share capital of the Company as of 30 September 2025 and 31 December 2024 comprised 89,000,000 shares at a par value of Saudi Riyals 10 per share.

5. Statutory reserve

According to the newly enacted Companies Law and its implementing regulations effective in KSA starting 19 January 2023, the mandatory statutory reserve requirement was abolished. Pursuant to this change, the Board of Directors resolved to amend the Group's By-laws to exclude the requirement to maintain a statutory reserve and recommended to the general assembly to transfer this reserve to retained earnings. The general assembly in their meeting held on 22 October 2025, approved to transfer the statutory reserve to retained earnings.

6. Long term borrowings

The borrowings comprise of long-term financing arrangements with certain non-conventional banks and carry finance costs based on prevailing market rates plus an applicable margin.

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Sukuk (note 6.1)	**2,000,000,000**	2,000,000,000
Murabaha borrowings (note 6.2)	**1,007,337,841**	899,984,900
Add: accrued finance cost	**36,710,455**	64,780,863
	3,044,048,296	2,964,765,763
Less: unamortised transaction cost	**(6,423,773)**	(9,824,594)
	3,037,624,523	2,954,941,169
Long-term borrowings are presented as follows:		
Current maturity under current liabilities	**316,426,479**	282,427,922
Non-current portion	**2,721,198,044**	2,672,513,247
	3,037,624,523	2,954,941,169
Movement in unamortised transaction cost is as follows:		
Balance at beginning of period / year	**9,824,594**	14,359,022
Less: amortization for the period / year	**(3,540,821)**	(4,534,428)
Balance at end of period / year	**6,283,773**	9,824,594

(All amounts in Saudi Riyals unless otherwise stated)

6.1 Sukuk

During 2022, the Group issued Sukuk amounting to Saudi Riyals 2.0 billion after obtaining necessary regulatory approvals and incurred a transaction cost of Saudi Riyals 22.3 million. In line with the sukuk prospectus, the Group management utilised these proceeds towards repayment of existing murabaha borrowings and for other corporate purposes including procurement of additional rigs.

The repayment of the Sukuk is due in a single balloon payment in 2027 and it bears finance costs based on prevailing market rates which are based on Saudi Arabia Inter-Bank Offer Rates ("SAIBOR") plus an applicable margin. The covenants of the Sukuk require the Group to maintain certain levels of financial conditions and certain other requirements. As at 30 September 2025, the Group was in compliance with such covenants.

6.2 Murabaha borrowings

During 2025, the Group utilised Saudi Riyals 300.0 million from an existing murabaha facility of Saudi Riyals 500.0 million which was obtained from a Saudi commercial bank to finance the Group's capital expenditure. The murabaha loan is repayable over a period of 5 years starting from October 2025 through July 2030 on a monthly installment basis. The loan bears finance cost based on prevailing market rate which are based on SAIBOR plus an applicable margin. The covenants of this borrowing facility require the Group to maintain certain levels of financial conditions and certain other requirements. As at 30 September 2025, the Group was in compliance with the covenants of the borrowing facility.

During 2023, the Group obtained a murabaha loan facility of Saudi Riyals 500.0 million from a Saudi commercial bank to finance its capital expenditure. The murabaha loan is repayable over a period of 5 years starting from December 2024 through December 2028 on a quarterly installment basis. These loans bear finance cost based on prevailing market rate which are based on SAIBOR plus an applicable margin. The covenants of this borrowing facility require the Group to maintain certain levels of financial conditions and certain other requirements. As at 30 September 2025, the Group was in compliance with the covenants of the borrowing facility.

During 2022, the Group had obtained a murabaha facility of Saudi Riyals 500.0 million from a Saudi commercial bank to finance capital expenditure. The murabaha loan is repayable over a period of 5 years starting from February 2024 through November 2028 on a quarterly installment basis. These loans bear finance costs based on prevailing market rate which are based on SAIBOR plus an applicable margin. The covenants of this borrowing facility require the Group to maintain certain levels of financial conditions and certain other requirements. As at 30 September 2025, the Group was in compliance with the covenants of the borrowing facility.

7. Zakat and income tax

7.1 Zakat and income tax expense

	For three-month period ended 30 September		For nine-month period ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	**2024** (Unaudited)
Zakat (reversal) / expense	**-**	(850,288)	**3,811,549**	10,138,278
Current tax charge / (reversal)	**257,220**	(2,445,485)	**2,278,447**	10,370,584
Deferred tax charge	**10,868,912**	8,592,996	**17,693,390**	8,548,256
	11,126,132	5,297,223	**23,783,386**	29,057,118

(All amounts in Saudi Riyals unless otherwise stated)

7.2 Status of assessments

Arabian Drilling Company
ZATCA has finalised the Company's zakat and income tax assessments for the years up to 2020. The assessments for the years 2021 through 2024 are under review of ZATCA and no assessments for these years have been received as at 30 September 2025.

Ofsat
ZATCA has finalised the zakat and income tax assessments of Ofsat for the years up to 2020. The assessments for the years 2021 through 2024 are under review of ZATCA and no assessments for these years have been received as at 30 September 2025.

8. Revenue

	For three-month period ended 30 September		**For nine-month period ended 30 September**	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	**2024** (Unaudited)
Drilling revenue	**637,908,363**	706,528,841	**1,966,455,253**	2,269,246,087
Rig move revenue	**116,282,682**	82,713,050	**405,915,732**	263,291,780
Mobilization revenue	**28,066,344**	28,230,915	**79,349,980**	96,174,181
Catering and other revenue	**53,175,972**	45,716,036	**157,263,960**	140,445,138
	835,433,361	863,188,842	**2,608,984,925**	2,769,157,186

8.1 Drilling revenue

Revenue from drilling activities was recognised in accordance with the rates agreed under the terms of the drilling contracts, which include approximately equal service and lease components. Expected lease component of future revenue from drilling activities under such contracts is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Within one year	**1,524,196,286**	1,649,514,528
Within two years	**1,170,258,684**	1,051,391,341
Within three years	**926,463,711**	790,863,330
Within four years	**662,811,233**	656,812,268
Within five years	**333,278,600**	434,085,967
Later than five years	**871,022,085**	556,247,976
	5,488,030,599	5,138,915,410

The expected revenue is based on signed agreements with the customers and expected utilization rates of the underlying rigs.

9. Other operating income, net

Other operating income mainly includes gain from disposal of a land parcel amounting to Saudi Riyals 8.4 million (2024: Nil) and insurance claim receivable against damage to rig mast of AD 45 during normal course of business amounting to approximately Saudi Riyals 7.1 million (2024: Nil).

(All amounts in Saudi Riyals unless otherwise stated)

10. Basic and diluted earnings per share

As the Company does not have any potential dilutive shares, the diluted earnings per share is the same as the basic earnings per share. Basic and diluted earnings per share are calculated as follows:

	For the three-month period ended 30 September		**For the nine-month period ended 30 September**	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
(Loss) / profit attributable to the shareholders of the Group	**(9,406,797)**	84,813,334	**73,267,756**	251,246,433
Weighted average number of ordinary shares for basic and diluted earnings per share	**89,000,000**	89,000,000	**89,000,000**	89,000,000
Basic and diluted (loss) / earnings per share	**(0.11)**	0.95	**0.82**	2.82

11. Contingencies and commitments

i. As at 30 September 2025, the Group's bankers have issued guarantees on behalf of the Group amounting to Saudi Riyals 538.0 million (31 December 2024: Saudi Riyals 451.8 million) and letters of credit issued in the normal course of business amounting to Nil (31 December 2024: Saudi Riyals 2.6 million).

ii. The capital expenditure contracted by the Group but not incurred till 30 September 2025 was Saudi Riyals 44.9 million (31 December 2024: Saudi Riyals 187.0 million).

12. Fair value measurement

The Group's principal financial assets include cash and cash equivalents, short term deposits, derivative financial instrument, trade receivables and certain other receivables that arise directly from its operations. The Group's principal financial liabilities comprise borrowings, trade and other payables and lease liabilities.

Fair values hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no such transfers during the period and year ended 30 September 2025 and 31 December 2024 respectively.

(All amounts in Saudi Riyals unless otherwise stated)

As at 30 September 2025 and 31 December 2024, the fair values of the Group's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realised at their current carrying values within twelve months from the date of the condensed consolidated statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

Financial risk management

The Group's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. There is no significant change in the Group's objectives, policies and processes for measuring and managing risk since the last annual consolidated financial statements.

13. Segment information

A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Group operates principally in the following two operating segments:

i) Provision of drilling and related services through land rigs; and

ii) Provision of drilling and related services through offshore rigs.

Intersegment revenue and intersegment cost represents the transactions between entities within the Group which have been eliminated during the consolidation process.

Condensed consolidated interim financial information as of 30 September 2025 and 31 December 2024 and for the three-month and nine-month periods ended 30 September 2025 and 2024, summarised by the above operating segments, is as follows:

a) Segment results

For the three-month period ended 30 September 2025 (Unaudited)

	Land rigs	**Offshore rigs**	**Other***	**Total**
Revenue from external customers	**584,995,243**	**250,438,118**	**-**	**835,433,361**
Intersegment revenue	**-**	**-**	**62,366,226**	**62,366,226**
Intersegment cost	**(62,366,226)**	**-**	**-**	**(62,366,226)**
Cost of revenue	**(490,676,034)**	**(185,496,567)**	**(58,338,502)**	**(734,511,103)**
Segment results	**31,952,983**	**64,941,551**	**4,027,724**	**100,922,258**

For the three-month period ended 30 September 2024 (Unaudited)

	Land rigs	**Offshore rigs**	**Other***	**Total**
Revenue from external customers	563,409,336	299,779,506	-	863,188,842
Intersegment revenue	-	-	59,196,697	59,196,697
Intersegment cost	(59,196,697)	-	-	(59,196,697)
Cost of revenue	(423,996,066)	(206,779,863)	(52,779,793)	(683,555,722)
Segment results	80,216,573	92,999,643	6,416,904	179,633,120

(All amounts in Saudi Riyals unless otherwise stated)

For the nine-month period ended 30 September 2025 (Unaudited)

	Land rigs	**Offshore rigs**	**Other***	**Total**
Revenue from external customers	**1,863,238,834**	**745,746,091**	**-**	**2,608,984,925**
Intersegment revenue	**-**	**-**	**242,006,075**	**242,006,075**
Intersegment cost	**(242,006,075)**	**-**	**-**	**(242,006,075)**
Cost of revenue	**(1,451,726,432)**	**(569,276,485)**	**(184,057,365)**	**(2,205,060,282)**
Segment results	**169,506,327**	**176,469,606**	**57,948,710**	**403,924,643**

For the nine-month period ended 30 September 2024 (Unaudited)

	Land rigs	**Off-shore rigs**	**Other***	**Total**
Revenue from external customers	1,597,061,653	1,172,095,533	-	2,769,157,186
Intersegment revenue	-	-	166,232,913	166,232,913
Intersegment cost	(166,232,913)	-	-	(166,232,913)
Cost of revenue**	(1,316,981,479)	(732,862,269)	(141,795,980)	(2,191,639,728)
Segment results	113,847,261	439,233,264	24,436,933	577,517,458

** Cost of revenue includes impairment loss amounting to Saudi Riyals 54.5 million and Saudi Riyals 50.5 million on land rigs and offshore rigs segment, respectively, during the nine-month period ended 30 September 2024. During the nine-month period ended 30 September 2025, no indicators of impairment reversal were identified, and no additional impairment losses were recognised for the same segments.

Reconciliation of segment results with profit before zakat and income tax

	For the three-month period ended 30 September		**For the nine-month period ended 30 September**	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
Total results for reporting segments	**100,922,258**	179,633,120	**403,924,643**	577,517,458
Impairment losses on financial assets, net	**-**	-	**-**	(1,155,730)
General and administrative expenses	**(46,926,870)**	(44,372,646)	**(163,863,574)**	(150,907,454)
Other operating income, net	**1,323,868**	8,208,123	**19,129,463**	7,363,830
Finance costs - net	**(53,599,921)**	(53,358,040)	**(162,139,390)**	(152,514,553)
Profit before zakat and income tax	**1,719,335**	90,110,557	**97,051,142**	280,303,551

b) Segment assets

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Land rigs	**4,922,795,965**	5,136,452,774
Offshore rigs	**4,094,314,193**	3,859,680,331
Other*	**409,704,774**	337,697,094
Eliminations	**(171,106,560)**	(62,174,344)
	9,255,708,372	9,271,655,855

As at 30 September 2025, segment assets did not include unallocated assets amounting to Saudi Riyals 1.1 billion (31 December 2024: Saudi Riyals 1.3 billion).

* Other segment relates to Ofsat Arabia Company Limited, the Company's subsidiary which is principally involved in rig hauling, operations, maintenance, rig moving and related activities.

(All amounts in Saudi Riyals unless otherwise stated)

14. Related party transactions and balances

As at 30 September 2025, related parties comprise the significant shareholders, directors, affiliates (representing entities directly or indirectly controlled by the Group's shareholders) and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest (other related parties).

a) *Following are the significant transactions entered into by the Group with its related parties:*

	For the three-month period ended 30 September		**For the nine-month period ended 30 September**	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
Revenue from an affiliate	**146,629,172**	149,998,577	**447,297,941**	446,905,767
Costs charged by an affiliate	**1,683,625**	2,434,388	**4,929,475**	4,868,775

These transactions are based on the agreed terms between the Group and the respective related parties.

Key management personnel compensation:

	For the three-month period ended 30 September		**For the nine-month period ended 30 September**	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
Salaries and other short-term employee benefits	**4,744,210**	3,919,349	**13,938,361**	11,850,593
Post-employment benefits	**670,927**	186,246	**1,460,674**	787,229
Directors' fees including travelling costs	**1,465,772**	1,595,638	**4,190,732**	4,707,963

b) *Due from related parties:*

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Due from related parties		
Schlumberger Middle East S.A. (SMESA), an affiliate	**156,218,863**	150,571,877

No allowance for expected credit loss was recognised in relation to the balance due from the related party during the period. The revenue transactions were made on terms and conditions agreed between the Company and the related party.

15. Dividends

On 11 March 2025, the Company's shareholders approved cash dividends of Saudi Riyals 1.35 per share totaling to Saudi Riyals 120.2 million (2024: approved cash dividends of Saudi Riyals 2.53 per share totaling to Saudi Riyals 224.8 million).

16. Subsequent events

Except as disclosed in Note 5, no other subsequent events occurred between 30 September 2025 and the date of approval of these condensed consolidated interim financial statements, which may have a material impact on these condensed consolidated interim financial statements.

17. Approval of condensed consolidated interim financial statements

These condensed consolidated interim financial statements were approved by the Board of Directors on 29 October 2025G (corresponding to 7 Jumada al-Awwal 1447AH).