

ARABIAN DRILLING KICKS OFF 2025 WITH GROWTH AND STRATEGIC ASSET INTEGRATION

- 7.2% quarterly increase in revenue to SAR 911 million, supported by the successful operation of remaining unconventional land rigs with high rig move activity
- 6.3% quarterly increase in EBITDA to SAR 381 million while maintaining a lucrative 41.8% margin
- Net income advanced by 7.2% compared to the previous quarter, reaching SAR 75 million
- Acquired a new Self-Elevating Service Vessel with a highly accretive EBITDA margin adding SAR 170 million to backlog

AlKhobar, Kingdom of Saudi Arabia – 13 May 2025: Arabian Drilling, or the “**Company**”, (Tadawul symbol: 2381), Saudi Arabia’s largest onshore and offshore drilling contractor by fleet size, announced today its financial results for the first quarter of 2025 (“**Q1 2025**” or “**Q1 ‘25**”).

In the first quarter of 2025, Arabian Drilling achieved 7.2% increase in revenue to record SAR 911 million. This growth was mostly supported by the effective operation of all newly deployed unconventional land rigs as well as high rig move activity. The land segment performed well, with segment revenues increasing by 21.6% to SAR 661 million compared to the previous quarter, which helped improve Q1 2025’s gross profit margin for the segment to reach 18.8%. On the other hand, the offshore segment experienced a decline, with revenues falling by 18.3% to SAR 250 million due to the inclusion of extra mobilization revenue in Q4 2024 and temporary day rate discounts of some rigs in Q1 2025. It is worth mentioning that no further rig suspensions occurred in Q1 2025.

EBITDA remained stable at SAR 381 million, maintaining a healthy margin of 41.8%. The Company invested SAR 290 million in capital expenditures, primarily geared at acquiring a new Self-Elevating Service Vessel, which is part of a broader strategy to enhance operational service capabilities was announced on 7 April 2025. It is worth mentioning that the net debt to the trailing twelve months EBITDA stands at 1.82x after rolling out an aggressive capital expenditure plan in the past two years. These efforts reflect Arabian Drilling’s balanced approach to pursuing growth while managing financial health in a challenging economic landscape.

Ghassan Mirdad, Chief Executive Officer of Arabian Drilling, commented on Q1 2025 results: *“Our first quarter performance reflects a robust start to 2025. Despite the challenges in the offshore segment, our strategic decision to acquire a new service vessel will allow us to diversify sources of revenue to further streamline our future earnings. As we navigate the evolving market conditions, our focus on operational excellence and strategic expansion remains unwavering.*

In response to the current economic uncertainties and volatile oil market conditions, we have embraced a conservative stance in forecasting this year’s performance. We are prioritizing operational prudence and risk management to navigate these challenging times. Our immediate focus is on maintaining a highly efficient operation through adopting impactful cost optimization initiatives.”

Hubert Lafeuille, Chief Financial Officer of Arabian Drilling, commented: *“Our financial performance this quarter demonstrates our ability to navigate market challenges while continuing to invest strategically in optimizing our asset portfolio. The careful balancing of our capital expenditure versus capturing growth opportunities has allowed us to maintain a solid financial foundation. Despite the mixed performance across segments, our overall financial health and strategic asset acquisitions position us well for sustainable long-term growth. We remain vigilant and prudent in our financial management to ensure long-term shareholder value amidst ongoing economic fluctuations.”*

Rig Contract Renewal

As of January 1, 2025, Arabian Drilling had twenty-four rigs due for contract renewal by the end of the year. By the close of Q1 2025, this number had decreased to nineteen. The reduction is attributed to several strategic actions: Two rigs were successfully renewed for an additional year, contributing an extra SAR 76 million to the backlog. Additionally, two suspended rigs, one land and one offshore, had their contracts extended into 2026, factoring in the suspension period. The fifth rig, from the land segment, concluded its contract in the first quarter of 2025 and is currently on standby, awaiting potential new contract opportunities.

Short-term Guidance

For the second quarter of 2025, we project our revenue to reflect a potential 5-10% decline from Q1 2025 level. This guidance reflects a cautious approach in response to the anticipated global reduction in demand for oil and gas, which has significantly impacted oil prices year-to-date. Despite predictions indicating a continued decline in oil prices throughout the year, we expect an indirect impact on Arabian Drilling's operations. We advise vigilance and caution in forecasting future financial performance given the current volatile global economic conditions.

Key Financial and Operational Metrics

SAR Million	Q1 '24	Q4 '24	Q1 '25	QoQ Change	YoY Change
Revenue	967	850	911	7.2%	-5.7%
EBITDA	405	358	381	6.3%	-6.0%
EBITDA margin	41.9%	42.1%	41.8%	-0.3% pts	-0.1% pts
Operating profit (EBIT)	214	133	137	3.1%	-36.2%
Net income	146	70	75	7.2%	-48.6%
EPS (SAR)	1.64	0.79	0.84	6.3%	-48.6%
Capital expenditures	306	443	290	-34.6%	-5.4%
Cash flow from operations ³	396	320	361	12.9%	-8.7%
Net debt / TTM EBITDA	1.12	1.62	1.82x	0.2x	0.7x
Active rigs ¹	47	49	50	+1	+3
Utilization rate ²	95.9%	83.1%	83.3%	0.2% pts	-12.6% pts

Notes:

1 Active rigs at the end of the period include rigs operating and generating revenue.

2 Utilization rate refers to the percentage of revenue-generating rigs relative to total available fleet of sixty rigs.

3 Excludes working capital.

Results by Segment

Land Segment¹

SAR Million	Q1 '24	Q4 '24	Q1 '25	QoQ Change	YoY Change
Revenue	514	544	661	21.6%	28.8%
Gross profit margin	11.4%	10.7%	18.8%	8.1% pts	7.4% pts

Offshore Segment

SAR Million	Q1 '24	Q4 '24	Q1 '25	QoQ Change	YoY Change
Revenue	453	306	250	-18.3%	-44.9%
Gross profit margin	46.4%	40.6%	22.3%	-18.3% pts	-24.1%pts

1 Includes OFSAT results

2 Includes depreciation, excluding G&A, interest and tax

3 Excludes impact of non-cash asset impairment

Conference Call Information

The Company will hold a virtual conference to discuss the first quarter results of 2025 and future outlooks on May 20, 2025. The conference will be hosted by Al Rajhi Financial Company and is scheduled to start at 3:00 PM Saudi Arabian time, corresponding to 4:00 PM UAE time, 1:00 PM UK time, and 8:00 AM New York City time in the USA.

To participate in the conference, please register your attendance by clicking on the [link](#) and using the conference code 23720782108 and access code 1234, or by calling the toll-free numbers: 8008147102 from within Saudi Arabia, 80003305914 from the UAE, 8000266257 from the UK, or +442076608149 (toll, access code 23720782108). A recording or written transcript of the conference will be made available on the investor relations website. It should be noted that this conference is intended for investors and is not accessible to the media."

-ENDS-

About Arabian Drilling

Arabian Drilling is an award winning onshore and offshore gas and oil rig drilling company in Saudi Arabia with an extensive track record of operational excellence and a history of innovation that has brought tremendous safety and efficiency gains to the drilling process.

Established in 1964, Arabian Drilling is the leader in the drilling sector in Saudi Arabia, with founders and majority shareholders being the Industrialization & Energy Services Company (TAQA), a Saudi Joint Stock company and SLB (previously known as Schlumberger), a global leader in oilfield services.

Arabian Drilling serves clients including Aramco, AlKhafji Joint Operations (KJO), SLB, as well as Baker Hughes, and has a large fleet of onshore and offshore rigs operated by a highly skilled, qualified, and professional staff, that are built to withstand the harsh weather conditions found in the Middle East region.

Arabian Drilling has adapted to meet the needs of a changing industry and world, integrating sustainable practices throughout the business and contributing to sustainable global energy demand. Arabian Drilling's

sustainability Roadmap is aligned with the United Nations Sustainable Development Goals (UN SDGs) and Saudi Arabia's Vision 2030, with initiatives and business practices that empower employees, local suppliers, and the communities and economies in which the company operates and serves, while responsibly managing the impacts of the growing business on the planet.

Arabian Drilling – IR website: <https://www.arabdrill.com/investor-home>

Contacts

Investor Relation contacts: ir@arabdrill.com

Media contacts: media@arabdrill.com

Disclaimer

This document may contain statements that are, or may be deemed to be, forward looking statements, including statements about the beliefs and expectations of Arabian Drilling (the "Company"). These statements are based on the Company's current plans, estimates and projections, as well as its expectations of external conditions and events. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. The Company is not obliged to, and does not intend to, update, or revise any forward-looking statements made in this presentation whether as a result of new information, future events or otherwise.

This communication has been prepared by and is the sole responsibility of the Company. It has not been reviewed, approved, or endorsed by any financial advisor, lead manager, selling agent, receiving bank or underwriter retained by the Company and is provided for information purposes only. In addition, because this communication is a summary only, it may not contain all material terms and in and of itself should not form the basis for any investment decision.

The information and opinions herein are believed to be reliable and have been obtained from sources believed to be reliable, but no representation or warranty, express or implied, is made with respect to the fairness, correctness, accuracy, reasonableness, or completeness of the information and opinions. There is no obligation to update, modify or amend this communication or to otherwise notify you if any information, opinion, projection, forecast, or estimate set forth herein, changes or subsequently becomes inaccurate.

You are strongly advised to seek your own independent advice in relation to any investment, financial, legal, tax, accounting, or regulatory issues discussed herein. Analyses and opinions contained herein may be based on assumptions that if altered, can change the analyses or opinions expressed. Nothing contained herein shall constitute any representation or warranty as to the future performance of any financial instrument, credit, currency, rate, or other market or economic measure. Furthermore, past performance is not necessarily indicative of future results. The Company disclaims liability for any loss arising out of or in connection with your use of, or reliance on, this document.

These materials may not be published, distributed, or transmitted and may not be reproduced in any manner whatsoever without the explicit written consent of the Company. These materials do not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

Non-IFRS financial measures

Some of the financial information included in this document is derived from the Company's consolidated financial statements but are not terms defined within the International Financial Reporting Standards (IFRS) as applied In the Kingdom of Saudi Arabia. Such information is provided as the Company believes they are useful measures for investors.